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WORLD CONFERENCE ON RELIGION OPENS IN BEIJING

HK251024 Hong Kong AFP in English 0911 GMT 25 Jun 86

[By Pierre-Antoine Donnet]

[Text] Beijing, June 25 (AFP) -- Buddhist monks, Tibetan lamas, Taoist priests, Catholics, Protestants, Moslems and Jews gathered in the Great Hall of the People Wednesday to open a week-long meeting of the World Conference on Religion and Peace (WCRP). Some 200 representatives of the major world religions began the meeting with meditation for peace and a Catholic prayer recited by the archbishop of Delhi. "We are all brothers and sisters of one human family, under the Lord and father of all," Archbishop Fernandez told religious leaders from around the world taking part in the first WCRP conference to be held in a communist country. Later, the prelate and Catholic leaders from Australia, Canada, France, Italy, Thailand, the United States, West Germany and Zambia, held prayers at Beitang Cathedral, which Chinese authorities allowed to reopen in December.

Several thousand people gathered at the cathedral, and many sought to kiss the hand of the churchmen. Religious worship was banned in China and religious figures were frequently the target of persecution during the 1966-1976 Cultural Revolution and its radical aftermath. Representatives of other religious groups held similar prayer meetings in places of worship around Beijing.

Earlier, Tibet's second-ranking spiritual leader, the Panchen Lama, told the opening session of the WCRP: "Peace is a common goal of all religions as well as a lofty ideal of the whole mankind. "From the bottom of my heart, I hope that the people and religious believers of all countries will closely unite, to make their contributions to lessening world tension, safeguarding world peace." Tibet's spiritual leader, the Dalai Lama, has been in exile in India since a failed anti-Chinese uprising in 1959.

Since 1979, the Chinese authorities have allowed for greater religious freedom. While saying tolerance toward religions is a long-term policy, Beijing openly counts on their eventual disappearance when prosperity is assured for all. WCRP President Nikkyo Niwano said: "It is most significant that this meeting is taking place here in China, a nation that plays a crucial role in world peace."

The WCRP, a non-governmental organization attached to the United Nations, was created in Kyoto, Japan, in 1970. The Beijing conference is being held on the theme of "peace through work and prayer." The secretary-general of the WCRP, Dr. John Taylor, said Tuesday that Vatican authorities were very happy about the conference, which will provide an opportunity for informal contacts between China and the Vatican. China broke off relations with the Vatican in 1957 and created the China Patriotic Catholic Association for the country's three million Catholics.

At Beitang Cathedral, prayers were led by the bishop of Shandong, Zong Huande, head of the Chinese Patriotic Church, and the Bishop of Beijing, Fu Tieshan. Archbishop Francis Quinn of Sacramento said afterward he had been moved by the fact that people of all nationalities "were singing in one language, the whole church." He said his talks in Beijing would focus on peace and disarmament rather than on relations between the China and the Roman Catholic Church. But he added: "I think things are getting closer.

Christian leaders from Czechoslovakia and the Soviet Union were also reported to be taking part in the WCRP gathering. Some of the 30 countries invited to the conference, including Israel, South Korea and South Africa, have no diplomatic relations with China.

Zhao Puchu Addresses Conference

OW251400 Beijing XINHUA in English 1348 GMT 25 Jun 86

[Text] Beijing, June 25 (XINHUA) -- It is the consistent stand of the peace-loving Chinese religious believers to actively support the activities beneficial to the relaxation of the tense international situation and to safeguard peace and justice, an international gathering of religious believers was told here today.

Addressing the International Council of the World Conference on Religion and Peace (WCRP), Zhao Puchu, president of the Buddhist Association of China and co-chairman of the WCRP, expressed the belief that the convention of the conference would surely promote friendship and cooperation between Chinese and foreign religious believers in their cause of safeguarding world peace. This would also help increase the ties between the WCRP and religious believers of various countries so that WCRP may play a greater role in striving for peace and justice for mankind, Zhao added. Zhao also extended his warm welcome to the more than 100 religious leaders, public figures and scholars from over 30 countries and regions to the gathering.

In his opening remarks, WCRP honorary president Nikkyo Niwano said: "The United Nations has designated this year the International Year of Peace, and it is therefore most significant that this meeting is taking place in China, a nation that plays a crucial role in world peace." The main theme of this meeting is "peace through work and prayer," he said, adding that religions must cooperate to develop conditions for peace.

Congratulating the meeting, the Bainqen Lama, honorary president of the Buddhist Association of China, said the meeting was a matter of great significance. He expressed his sincere hope that the people and religious believers of all countries would unite closely and play their part in reducing world tension, safeguarding world peace and bringing happiness to mankind. It is possible for mankind to achieve a lasting peace through the joint efforts of various peace forces, the Bainqen Lama said.

Angelo Fernandes, honorary president of the WCRP, presided over a prayer for peace.

Jointly sponsored by American and Japanese religious bodies in 1970, the WCRP has called four world conferences at which many declarations of peace were adopted, and this has promoted the progress of the world peace movement, according to a WCRP official. The fourth meeting of the WCRP was attended by more than 600 religious believers from 60 countries and regions and the WCRP International Council was founded at the meeting.

Attending the opening session which took place in the Great Hall of the People here this morning were Zhou Peiyuan, president of the Chinese People's Association for Peace and Disarmament; Ren Wuzhi, director of the Religious Affairs Bureau under the State Council; Zhang Wenjin, president of the Chinese People's Association for Friendship With Foreign Countries; and more than 500 Chinese Buddhists, Taoists, Muslims and Christians. The opening session was followed by a dinner hosted by Zhao Puchu, chairman of the Chinese reception committee, in honor of the participants.

I. 26 Jun 86

PR C I N T E R N A T I O N A L A F F A I R S
UNITED STATES

B 1

REAGAN WELCOMES SOVIET DISARMAMENT EFFORTS

HK240741 Beijing RENMIN RIBAO in Chinese 21 Jun 86 p 7

[Report from Washington by reporter Zhang Yunwen: "Reagan Welcomes New Efforts of the Soviet Union in Disarmament"]

[Text] Last night, President Reagan said that on the issue of cutting nuclear arms, the Soviet Union "has begun making new efforts." This is the first time Reagan has welcomed the Soviet move on this issue during his 5-odd years' presidency. He also called on the Soviet leaders to agree at an earlier time on the work of preparing another meeting of the heads of the two countries. Reagan made this statement in a speech delivered at a secondary school in Glassboro, New Jersey.

Reagan said: The new development on the arms issue "may be an opportunity" for U.S.-Soviet relations. In the name of peace, he invited Gorbachev to take joint action with him.

Through this speech, Reagan commented for the first time on the new proposals made by the Soviet Union on arms control. He said: We cannot accept these proposals without revision. But it seems that the Soviets have begun making new efforts. Reagan said, "If both parties really want to achieve progress, this may develop a turning point at which the world will become more safe and peaceful." He added: The Soviet's moves on the arms issue have been "very disappointing," but a "new development has recently emerged."

Reagan made these statements under the circumstances in which the U.S. congress and its allied countries responded strongly to the U.S. decision of nullifying the SALT-II agreement. The House of Representatives adopted yesterday by 225 to 145 votes a nonbinding agreement, and urged Reagan to continue to adhere to the SALT agreement. On that same day, the military group of the Senate also passed a similar resolution. Furthermore, the House of Representative's Armed Services Committee decided to cut the allocation of "star wars" funds from \$5.4 billion to \$3.7 billion.

According to another report, the Soviet diplomats here expressed that the positive signs given by Reagan on the Soviet Union's arms proposals might clear obstacles for the next round of talks between leaders of the two countries.

STAR WARS CONTRACT BETWEEN U.S., UK ANNOUNCED

OW250623 Beijing XINHUA in English 0609 GMT 25 Jun 86

[Text] Washington, June 24 (XINHUA) -- The United States and Britain today issued a joint statement on the signing of a 10 million dollar letter of offer and acceptance between the two nations for a European architecture study for the U.S. Strategic Defense Initiative (SDI), U.S. Defense Department spokesman Robert Sims announced today. Sims also said at a Pentagon regular briefing that additionally, a British laboratory was awarded a 4.3 million dollar contract for the development of high brightness negative ion sources and neutralizer for use in neutral particle beam systems.

The agreements were announced as U.S. Defense Secretary Caspar Weinberger met with his British counterpart George Younger, who is visiting the U.S. for the first time as secretary of state for defense. Younger is expected to meet with other U.S. officials and visit the North American Air Defense and Space Command in Colorado.

The contracts fall under a memorandum of understanding signed last year by officials of the two countries opening the door for British organizations to participate in President Ronald Reagan's SDI program, commonly known as "star wars".

TASS CONDEMS PLANNED U.S. NUCLEAR TEST

OW251246 Beijing XINHUA in English 1232 GMT 25 Jun 86

[Text] Moscow, June 25 (XINHUA) -- The official Soviet news agency TASS today condemned a planned U.S. nuclear test as a challenge to the public opinion of the world. Today's expected underground blast at the Nevada testing site would have a yield of up to 150 kilotons and would be the 13th the U.S. has conducted since the Soviet Union introduced a unilateral moratorium on nuclear tests last August 6. The Soviet moratorium has been further extended to August 6 this year. Moscow has asked the United States to follow suit, but Washington has so far failed to respond.

In defiance of world-wide protests, Washington "stubbornly refuses to halt nuclear explosions," TASS said in its commentary. The decision to extend the moratorium to August 6 demonstrates the extent to which the Soviet Union has exercised restraint, the news agency added. But how long Moscow will observe its self-imposed ban in the race of continued U.S. tests remains to be seen, analysts here say.

VICE FOREIGN MINISTER MEETS U.S. COUNTERPART

OW260132 Beijing XINHUA in English 0100 GMT 26 Jun 86

[Text] Washington, June 25 (XINHUA) -- Chinese Vice-Foreign Minister Zhu Qizhen met today with U.S. Under-Secretary of State for Political Affairs Michael Armacost to discuss bilateral relations and major international issues of mutual interest. During his three-day stay here, Zhu is expected to meet with Acting Secretary of State John Whitehead, Vice President George Bush and Acting National Security Advisor Peter Rodman. Zhu arrived here Tuesday.

WANG ZHEN, ZHANG JINGFU MEET U.S. TRADE GROUP

OW231246 Beijing XINHUA in English 1225 GMT 23 Jun 86

[Text] Beijing, June 23 (XINHUA) -- Honorary President of the China Association for International Friendly Contacts Wang Zhen and State Councillor Zhang Jingfu met on separate occasions with a trade delegation from the U.S. Small Business Administration here this afternoon. The leader of the delegation is Frank S. Swain, the chief counsel for advocacy of the administration.

Both Wang and Zhang expressed the hope that the delegation would explore the possibilities of cooperation of small and medium-sized enterprises in economy, trade and technology with Chinese departments concerned during its stay in China. Zhang stressed that while implementing the policy of opening to the outside world, China attaches great importance to developing its cooperation not only with large foreign enterprises, but also with those small and medium-sized enterprises. This evening Wang gave a dinner for the U.S. visitors in the Great Hall of the People.

TRIPARTITE TALKS PROPOSAL GAINS SUPPORT IN DPRK

OW251726 Beijing XINHUA in English 1518 GMT 25 Jun 86

[Text] Pyongyang, June 25 (XINHUA) -- The proposal for talks among the military authorities of the northern and southern parts of Korea as well as the United States is gaining widespread support in the Democratic People's Republic of Korea (DPRK).

The proposal, put forward by the Supreme Command of the Korean People's Army on June 17, was aimed to ease the tension on the Korean peninsula and remove the military confrontation.

Leaders from a number of political organizations in the North have spoken in public to support the proposal and urged the United States and the South Korean authorities to make prompt response.

Yu Ho-chun, director of the Secretariat of the Central Committee of the Democratic Front for the Reunification of the Fatherland, expressed his high appreciation of the proposal. He said the approach to the proposal is a touchstone by which to test who is seeking peace and who is seeking war.

Hong Ki-mun, vice-chairman of the Committee for the Peaceful Reunification of the Fatherland, asked the United States and South Korea to discard their wrong way of rejecting any proposal of the DPRK and give serious thought to the latest proposal.

Chon Kum-chol, chairman of the DPRK delegation to the preparatory meeting of North-South parliamentary talks, stressed that realization of the proposal, removal of the danger of war and easing of the strained situation will create conditions favorable to the North-South dialogue.

Many people from factories, collective farms, schools and Army units in the North have also voiced their support for the proposal either in newspapers or on television.

Meanwhile, the minister of Korean People's Armed Forces has sent a letter to William Livesey, commander-in-chief of the U.N. forces in South Korea, and Yi Ki-paek, defense minister of South Korea, calling for contacts at Panmunjom on June 27 in preparation for the military talks. But, the U.N. forces and South Korea have reportedly rejected the idea.

DPRK ISSUES STATEMENT ON NUCLEAR-FREE ZONE

HK241408 Beijing RENMIN RIBAO in Chinese 24 Jun 86 p 7

[Special dispatch from Pyongyang by reporter Xu Baokang: "Korean Government Issues Statement Proposing To Turn the Korean Peninsula Into a Nuclear-Free Peace Zone"]

[Text] The Korean Government today issued a statement proposing that the Korean peninsula be turned into a peace zone free of nuclear weapons. The statement includes three proposed measures.

The statement says: At present, in order to safeguard peace and security in Korea, Asia, and the world, an urgent task is to remove all threats of nuclear war on the Korean peninsula. The Korean Government and people hold that in order to prevent nuclear war and strive for lasting peace, it is first necessary to take urgent measures to turn the Korean peninsula into a nonnuclear and peace zone without nuclear weapons and nuclear bases.

This new peace proposal of the Korean Government includes the following points: First, the DPRK Government will not test, produce, store, or import any nuclear weapons and will not permit the establishment of any foreign military bases, including nuclear bases, and will not allow the passage of foreign nuclear weapons through its territorial land, air, or sea areas.

Second, according to the wishes of the Korean people and the peace-loving people throughout the world to turn the Korean Peninsula into a nonnuclear and peace zone, the U.S. Government should stop delivering new nuclear weapons to South Korea, dismantle all the nuclear weapons that have been brought into South Korea in stages, and thoroughly dismantle and withdraw all nuclear weapons in the end. Meanwhile, the U.S. Government should take steps to call off all operational plans to use nuclear weapons on the Korean peninsula.

Third, the DPRK Government is ready to come to the negotiating table, no matter what form of negotiations, if the U.S. Government and the South Korean authorities consider it necessary to negotiate on the DPRK proposal for turning the Korean peninsula into a nuclear-free zone and a peace zone.

DPRK ENVOY MARKS ANTI-U.S. STRUGGLE MONTH

OW250836 Beijing Domestic Service in Mandarin 1100 GMT 24 Jun 86

[Text] The DPRK ambassador to China, Sin In-ha, held a press conference at the embassy this morning on the occasion of the month of anti-U.S. joint struggle from 25 Jun to 27 July. Sin In-ha said: U.S. imperialism and the South Korean puppet clique should immediately cease their adventurous war provocations, which threaten Korea, Asia, and world peace, in response to the unanimous call of the Korean people and the peace-loving people all over the world. They should also respond to our proposals for holding tripartite talks and for talks between the military authorities concerned, aimed at relaxing the tension on the Korean peninsula.

The All-China Federation of Trade Unions sent a message of solidarity to the General Federation of Trade Unions of Korea this morning, pledging that the Chinese trade unions and workers will, as always resolutely support the just struggle of the Korean workers and people for the independent and peaceful reunification of the motherland, the proposal of President Kim Il-song and the Workers Party of Korea and the Government of the DPRK for the establishment of a Koryo democratic confederal republic, and the proposal for holding tripartite talks.

PRC, DPRK TO EXCHANGE DELEGATIONS TO MARK TREATY

OW250720 Beijing XINHUA in English 0709 GMT 25 Jun 86

[Text] Beijing, June 25 (XINHUA) -- China and Korea will exchange party and government delegations for a goodwill visit from July 10 to 14 in commemoration of the 25th anniversary of the signing of the Sino-Korean treaty of friendship and cooperation and mutual assistance which falls on July 11.

This was announced by a Chinese Foreign Ministry spokesman at the weekly news briefing here this afternoon. He said that the Chinese party and government delegation will be headed by Tian Jiyun, member of the Political Bureau and Secretariat of the Chinese Communist Party Central Committee and vice-premier of the State Council, while the Korean party and government delegation will be led by Yi Chong-ok, member of the Political Bureau of the Korean Workers' Party Central Committee and vice-president of the Democratic People's Republic of Korea.

RENMIN RIBAO EXPLAINS JAPANESE TEXTBOOK ISSUE

HK250915 Beijing RENMIN RIBAO in Chinese 22 Jun 86 p 6

[Article by Rong Sheng: "What Is the Japanese 'Textbook Issue' About?"]

[Text] In 1982, the "textbook issue" emerged in Japan and was sternly criticized by public opinion both in Japan and in the world. The Japanese Government promised to correct the errors. However, a few years later, at the end of last May, major Japanese papers one after another reported that the new version of the senior middle Japanese history textbook, written by the "defend Japan national conference" has been examined and regarded as "up to standard" by the textbook examination board of the Japanese Ministry of Education. Generally, all the papers made negative comments on this. The news soon spread and aroused a strong response from relevant Asian countries and regions. On 7 June, our country's Ministry of Foreign Affairs sternly approached Japan over this issue and pointed out that many sections of the book seriously distort historical facts and demanded that the Japanese Government conscientiously implement the spirit of the Sino-Japanese communique and earnestly fulfill the promise that it made in 1982. Many readers asked: Why has the Japanese "textbook issue," which emerged a few years ago, reemerged today, when Sino-Japanese friendly cooperative relations are continuing to develop?

It happened in the following way: In the spring of 1982, the Japanese Ministry of Education proposed to revise, and then examined and approved, a number of textbooks, among which there were some textbooks which distorted historical facts and concealed the truth in quite a lot of their accounts of modern and current history and which attempted to absolve Japanese militarists from being solely responsible for launching the war of aggression that brought disaster to the whole Asia-Pacific region. For example, they used the ambiguous word "advance" for the undisguised aggression against other countries. As a result, they seriously hurt the feelings of the people in various Asian countries who had suffered from the aggression. Naturally, this incident aroused strong indignation among the people of the countries concerned and was denounced unanimously by the Japanese people and by personages in the Japanese Government and the public.

At that time, the Japanese director of the Cabinet Secretariat published a speech saying: "In the Sino-Japanese statement, the Japanese Government said 'it feels keen regret for the great harm that Japan caused the Chinese people to suffer through the war, is aware of its responsibility for it, and expresses deep self-examination.' It has not in the least changed this view now." In the speech, he also said: "This spirit of the Sino-Japanese joint statement ought to be respected in Japanese school education and in examining textbooks. Japan will listen fully to China's and other countries' criticisms concerning problems of this kind related to our country's textbooks and the government will be responsible for the correction of the errors."

The above was the background and grounds for the demand raised in our country's Ministry of Foreign Affairs' note to the Japanese Government saying that the Japanese Government must carry out the spirit of the Sino-Japanese joint statement and earnestly fulfill the promise that it made in 1982.

There are quite a lot of versions of Japanese history textbooks. They are generally written by nongovernmental groups and personages and are finally examined and approved by the Ministry of Education, which does not usually examine and approve only one version of a history textbook.

The above-mentioned textbook is only one of the approved versions and has been written by the "defend Japan national conference." What kind of group is the "defend Japan national conference"? Why has it taken such pains to write a history textbook with so many erroneous accounts? Our readers will know the answers to these questions as soon as they analyze the "publisher's statement" and the views on some major historical incidents in that textbook which has been examined and regarded as "up to standard."

The "publisher's statement" says that it was not until July 1982, when Japan accepted China's and other countries' protests concerning textbooks and "apologized" to them, that the "defend Japan national conference" began to discuss the textbook issue widely. They "worried" about the "biased accounts" and made up their minds to write a textbook that could make "youngsters love their country's history." Therefore, they spent about 2 years and held dozens of writers' meetings before they finished writing the book and sent it for examination and approval.

How does this book describe some major historical incidents? With what spirit do they want to teach Japanese youngsters? As the length of this article is limited, we only select its major viewpoints for our readers' consideration. Concerning the puppet "Kingdom of Manchuria," which was entirely set up by Japan alone, the book describes it as a new country that was set up under Japan's leadership and which was to develop a "kingdom of happiness" through encouraging "cooperation and concord" among the Japanese, Chinese, Manchurian, Mongolian, and Korean nations. Concerning the "'7 July incident' at Lugou Bridge" and the "Shanghai incident," which Japan purposely provoked in order to expand its war of aggression against China in all all-round manner and occupy the whole of China, the book says that the incidents occurred because "Chiang Kai-shek issued an order for general mobilization and the CCP's army also took part in the war," and that Japan was forced into the war and thus "spread the war to the whole of China." As for the brutal Nanjing massacre that shocked people all over the world, the book deliberately refrains from mentioning the fact of the butchering of ordinary civilians by the Japanese troops, but on the contrary says that Japanese people did not know of this incident until after the war and that it is necessary to carry out a clear investigation regarding the "truth" of the incident. As for the "Pacific War" launched by Japan, the book says: "At that time, Japan called the war the 'great east Asian war' (the so-called Pacific war), and considered the goal of the war to liberate Asia from the rule of the European and American powers and to build an east Asian co-prosperity sphere under Japanese leadership."

People still remember well what the "kingdom of happiness" and the "east Asian co-prosperity sphere" were. When they were writing the book, the writers boasted that they wanted to be "objective and just" and to "correct biased accounts." However, from the views and accounts cited above, it is not difficult for our readers to see that what they call being "objective and just" is nothing but concealing the facts about the launching of wars of aggression, and that what they call "correcting errors" is in fact aimed at leading astray Japanese youngsters' education in history.

Precisely because of this, this book was first generally denounced in Japan by Japanese people of insight. In its editorial entitled "Why Should Such a Textbook Be Produced Now?" ASAHI SHIMBUN said that from the point of view of the book's contents, it is clearly characterized by willfully refraining from mentioning Japan's role as an evildoer in writing about modern and contemporary wars. The editorial warns: Education must serve posterity and should by no means serve the desires of the old generation of people who attempt to restore old ways! Japan's teachers and staff trade union sharply pointed out that the serious probems with the new textbook are: First, the "imperial Japanese view of history" permeates the whole book; and second, the book carries out no self-examination at all regarding the past war of aggression, on the contrary it describes it as a war of self-defense." Throughout the book, the word "aggression" does not appear, and it withholds the facts about the Nanjing massacre.

Amid loud condemnation at home and abroad, the relevant departments in Japan could not help but give the explanation that the textbook was still under examination and had not received final approval. According to Japanese newspapers, recently, relevant Japanese departments said that the final revised version conformed to the statement made by the director of the Cabinet Secretariat in 1982. If this is the case, our readers will hope that the history textbook really treats history in an "objective and just" manner and draws on lessons from history in order to facilitate long-standing friendship between Japan and its Asian neighbors and bring happiness to Japan's future generations.

BANGLADESH INTELLIGENCE CHIEF MEETS YANG DEZHI

OW160234 Beijing XINHUA in English 0158 GMT 16 Jun 86

[Text] Beijing, June 16 (XINHUA) -- Yang Dezhi, chief of general staff of the Chinese People's Liberation Army, met here today M. Abdul Latif, chief of Interservice Intelligence of Bangladesh. During the meeting, both Yang and Latif spoke of the friendly ties between the two armies. Latif also conveyed President Ershad's invitation for Yang to visit Bangladesh.

PLA Official

OW131313 Beijing XINHUA in English 1152 GMT 13 Jun 86

[Text] Beijing, June 13 (XINHUA) -- He Qizong, deputy chief of the general staff of the Chinese People's Liberation Army (PLA), met and hosted M. Abdul Latif, chief of Interservice Intelligence of Bangladesh, and his wife here this evening. The Bangladesh guests arrived in Beijing June 12 at the invitation of the headquarters of the PLA General Staff.

ZIAUL HAQ MEETS PRC-PAKISTAN YOUTH GROUP

OW2121446 Beijing XINHUA in English 1404 GMT 21 Jun 86

[Text] Islamabad, June 21 (XINHUA) -- Pakistan President Mohammad Ziaul Haq said here today that the contacts between school children of Pakistan and China have brought the Pak-China relations to a new dimension. At a meeting with members of the Sino-Pakistan expedition, Zia said that "China is not only our neighbor but also our best friend." The members of the expedition sang songs and performed dances at the presidential house, winning praises from the president who said "well done" from time to time.

The Sino-Pakistan youth expedition comprises 10 Pakistan members and 10 Chinese members, all under the age of 14. It is the first time for China and Pakistan to form a joint youth expedition to promote mutual understanding and friendship among youngsters of the two countries. The 10 Chinese school children arrived here on June 10 and joined their Pakistan counterparts on June 12. They then started their one-month tour of scenic spots and historical sites in Pakistan and China.

During their travel in Pakistan, the members of the expedition visited Lahore, Peshawar and the summer resort of Murree near Islamabad. They will leave here tomorrow for China through the Kunjrab Pass on the Pamirs to continue their tour.

HUANG HUA MEETS INDIAN MARXIST PARLIAMENTARIANS

OW231244 Beijing XINHUA in English 1221 GMT 23 Jun 86

[Text] Beijing, June 23 (XINHUA) -- Huang Hua, vice-chairman of the Standing Committee of China's National People's Congress, today met a visiting Indian Communist Party (MARXIST) parliamentarian delegation. Indian visitors arrived here June 20 at the invitation of the International Liaison Department of the Chinese Communist Party Central Committee and will make a tour of the cities of Dalian, Shanghai, Xiamen and Guangzhou.

ROUNDUP VIEWS TERRITORY TRANSFER IN INDIA

OW220206 Beijing XINHUA in English 0153 GMT 22 Jun 86

["Round-up: Transfer of Chandigarh to Punjab Deferred" by Tan Renxia -- Xinhua headline]

[Text] New Delhi, June 21 (XINHUA) -- On the eve of territorial transfers between two Indian states, Punjab and haryana, Indian Prime Minister Rajiv Gandhi and Punjab Chief Minister Surjit Singh Barnala yesterday decided to postpone the controversial action until July 15.

Chandigarh has been shared as a capital city by the two states, a situation which has caused on-going headaches. But last July an accord between the prime minister and Sant Longowal, the slain leader of the Sikhs who represent a majority in Punjab was reached by which Chandigarh would be transferred to Punjab but as compensation the Hindi-speaking areas now in Punjab would be ceded to Haryana.

The city of Chandigarh was constructed between 1951-65 as the capital of what was then the state of East Punjab. West Punjab became part of Pakistan. In 1966, East Punjab was reorganized -- the western portion became part of the newly established state of Punjab, the eastern part came under Haryana's administration and the hilly areas were transferred to Himachal Pradesh. Chandigarh became the capital of both Punjab and Haryana and a source of conflict ever since.

The transfer agreement reached by Punjab and Haryana was supposed to have occurred on January 26 this year but was delayed because a government-appointed commission could not identify the areas in Punjab which should go to Haryana in exchange for Chandigarh. Territorial claims and counter-claims were tossed back and forth -- Haryana, for example, pleaded for 483 villages or an area of 450,000 acres which Punjab was not ready to yield.

The commission was changed and subsequently recommended that 70,000 acres of land in Punjab should be transferred to Haryana in exchange for Chandigarh on June 21. It identified only 30 villages with a land area of 45,000 acres on the basis of 1981 census as Hindi-speaking areas in Punjab and sought a mutual acceptable settlement between the two states on the remaining 25,000 acres. Haryana accepted the recommendation while Punjab insisted that only 45,000 acres could be transferred on June 21 and the remaining after its fate have been determination by another commission.

In an attempt to keep to the schedule of transferring Chandigarh -- one of Punjab's major demands -- the central government yesterday appointed yet another commission to determine the areas to be transferred to Haryana within a period of 12 hours. However, Punjab Chief Minister Barnala rejected the plan pointing out that it would be a "mockery of the judicial system" to expect the commission to give its verdict on such an important issue within 12 hours.

The delay has already caused great uncertainty among the populace of Punjab and Haryana and no one is convinced that this commission will be the last one to tackle the problem.

ZHONGGUO XINWEN SHE HAILS HU'S EUROPEAN TRIP

HK251251 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0350 GMT 23 Jun 86

["Short" commentary by Chen Dawei: "A New Chapter in Sino-European Relations" --
ZHONGGUO XINWEN SHE headline]

[Text] Rome, 23 Jun (ZHONGGUO XINWEN SHE) -- CPC General Secretary Hu Yaobang's current visit to four West European countries is a trip which will deepen mutual understanding, strengthen friendship and cooperation, and promote world peace.

Beginning 8 June, General Secretary Hu Yaobang visited four major industrial countries in Western Europe, namely, Britain, the FRG, France, and Italy. This is another important visit by a top Chinese leader to Western Europe, following premier Zhao Ziyang's visits to these countries in 1984 and 1985. Premier Zhao Ziyang will soon visit some European countries in 1984 and 1985. Premier Zhao Ziyang will soon visit some European countries along the Mediterranean Sea coast. All these diplomatic activities show that China highly values Europe's role in international affairs and is very interested in developing political, economic, technological, and cultural exchanges and cooperation with European countries.

As General Secretary Hu Yaobang has often mentioned during his current European trip, Europe is the source of modern civilization and is still one of the most economically, culturally, and technologically developed regions in the world. European people have previously suffered untold disasters from disturbances and wars and they detest war and ardently long for peace. Therefore, Europe will naturally be able to play a great role in the settlement of the two major issues -- peace and development -- in modern times.

On these two issues, China can successfully cooperate with Europe. The most important historical task for China at present and in the future is to modernize the country: By the end of this century, China will reach a comparatively well-off level; and then, after another 50 years of efforts, China will approach the development level of the developed countries. In order to achieve this goal, China needs a peaceful international environment. China holds that both China and Europe constitute important forces for preventing war and safeguarding peace. From the angle of economic cooperation, China and Europe also complement each other. China has rich resources and a vast market, while Europe has advanced technologies and adequate funds. Economic cooperation can not only promote the development of both sides, but can also contribute to the prosperity of the world economy.

Therefore, when General Secretary Hu Yaobang exchanged opinions with the leaders of the four European countries during the current visit, it was found that both sides had more in common than expected on the two above-mentioned major issues. Although there remained some differences on some concrete issues, both sides came to understand each other more profoundly.

During the visit, it has been found that relations between China and these West European countries are very good. In the past year since China and Britain succeeded in solving the Hong Kong issue, the two countries have developed their relations at an unprecedented pace.

The FRG is China's largest trading partner in Europe and China's third largest trading partner next to the United States and Japan in the world. Economic and technological cooperation between the two countries has reached a rather high level.

France was the first country in Western Europe to establish diplomatic relations with China and relations between the two countries have developed steadily.

As a country with a time-honored civilization, Italy's friendly relations with China can be traced back to remote antiquity.

Today, she is China's second biggest trading partner in Europe next to West Germany. Opinion in these countries holds that General Secretary Hu Yaobang's visit to these four West European countries will not only help deepen mutual understanding, but will also develop China's relations with Europe to a new level.

Tens of thousands of Chinese people and people of Chinese origin are living in these four West European countries, and thousands of Chinese students are studying there. So, wherever General Secretary Hu Yaobang went, he met with representatives of local residents of Chinese origin and Chinese students and relayed to them the regards of their countrymen. He encouraged Chinese residents to keep on good terms with local people so as to make contributions to friendship between the Chinese people and the people of these countries. At the same time, he also hoped that they would succeed in their businesses and careers and live and work in peace and contentment. Vice Premier Li Peng and Professor Fei Xiaotong also had the experience of studying in foreign countries when they were young, and they had heart-to-heart talks with Chinese students now studying in the European countries, encouraging them to work hard to master knowledge so as to serve the motherland in the future.

General Secretary Hu Yaogang's successful visit to these four West European countries will open a new chapter in Sino-European relations.

AGREEMENT SIGNED WITH ITALY'S ELECTRIC BOARD

AU251231 Rome ANSA in English 1204 GMT 25 Jun 86

[Text] Beijing, June 25 (ANSA) -- Italy's National Electricity Board (ENEL) will play a part in studying and planning the world's largest hydroelectric power-station to be built on the Yangtze River provided the financial part of the package signed here today receives Italian Government approval.

The agreement was signed with the Chinese Electric Power Ministry. Enel and two other contractors, Lotti and Ismes, will be supplying consultancy and measuring and control equipment for the series of dams to be built upstream from the river's famous "three gorges".

The initial contract is worth 1.7 million dollars, but sources at Enel say it should help other Italian firms to pick up contracts in building the dams.

13TH LCY CONGRESS OPENS IN BELGRADE 25 JUN

CPC Greets LCY Congress

OW260103 Beijing XINHUA Domestic Service in Chinese 1314 GMT 25 Jun 86

[Text] Beijing, 25 Jun (XINHUA) -- The CPC Central Committee today sent a message of greetings to the 13th National Congress of the League of Communists of Yugoslavia (LCY). The message reads in full as follows:

On behalf of the CPC members and the Chinese people, the CPC Central Committee most warmly congratulates the convocation of the 13th National LCY Congress, and through the congress extends its highest respect to all the LCY members and the people of all nationalities in Yugoslavia. The LCY has led the people of all nationalities in Yugoslavia to wage a prolonged, brave revolutionary struggle and overcome all types of difficulties and obstacles, and has finally won a great victory in socialist revolution and ushered in a new era in Yugoslav history. The LCY has dared to explore and to create the new. Having drawn rich experiences from practice, the LCY has developed the socialist self-management system and led the people of all nationalities in Yugoslavia in achieving, along the road paved by Tito, great accomplishments in socialist construction.

In recent years, you have stressed further improvement and development of the socialist self-management system, and made unremitting efforts in implementing the magnificent economic stabilization program and strengthening the material foundation in society. You have attached great importance to the positive role of the working class and all the workers in social development. We deeply believe that the convocation of the 13th National LCY Congress will open up new prospects in fulfilling these arduous but glorious tasks. Inspired by the 13th national LCY Congress, the heroic Yugoslav people will certainly overcome the difficulties ahead and make new achievements in socialist construction.

As one of the sponsors of the Nonaligned Movement, Yugoslavia enjoys high prestige in the world. You have held high the banner of opposing imperialism, colonialism, hegemonism and upholding national independence, always advocated the independent nonaligned policy, and made remarkable contributions to safeguarding world peace and the development of the Nonaligned Movement. China highly appreciates and firmly supports Yugoslavia in this regard.

The LCY is one of the pioneers in developing a new type of relationship between communist parties in the world. You have always safeguarded the basic principle of independence, equality and noninterference in each other's internal affairs and made remarkable contributions to promoting the healthy development of the international communist movement.

The cause of the Chinese and Yugoslav parties, the two countries and the peoples, is common. We are pleased to see that in recent years, our mutual understanding has been continuously deepened, our friendship continuously strengthened, and our cooperation continuously expanded. These kinds of relations of friendship and cooperation are built on the basis of mutual respect, mutual trust, mutual learning, and mutual support. They are not only conducive to the basic interests of the Chinese and Yugoslav peoples, but also beneficial to the cause of world peace and human progress. We deeply believe that following the continuous development of the cause of socialism in the two countries, the relation of friendship and cooperation between the Chinese and Yugoslav parties, the two nations and the two peoples will definitely be further consolidated and strengthened.

We wish the 13th National LCY Congress complete success!

We hope the heroic Yugoslav people will win new and still greater victories in their struggle!

We wish for a continuous development of the friendship between the Chinese and Yugoslav parties, the two nations, and the two peoples!

Zarkovic Receives CPC Delegation

OW260130 Beijing XINHUA in English 0044 GMT 26 Jun 86

[Text] Belgrade, June 25 (XINHUA) -- Yugoslav Communist League leader Vidoje Zarkovic today met with a visiting Chinese Communist Party delegation led by Politburo member Xi Zhongxun.

During the meeting, Zarkovic expressed interest in China's ongoing economic reforms, saying China's experience is of importance not only to China but to the world socialist movement as well.

Both sides expressed the belief that relations between their parties and countries will further develop.

Xi and his delegation arrived in Belgrade on June 23 to attend the league's 13th congress, which opened today.

Xi Zhongxun Meets DPRK's Yi Chong-ok

OW251210 Beijing XINHUA Domestic Service in Chinese 0714 GMT 25 Jun 86

[Excerpts] Belgrade, 24 Jun (XINHUA) -- Xi Zhongxun, member of the Political Bureau of the CPC Central Committee, told the Belgrade Television Station here today that the relations between the CPC and the League of Communists of Yugoslavia [LCY] are very close and truly founded on independence, equality, mutual respect, and noninterference in each other's internal affairs.

A CPC delegation, led by Xi Zhongxun, arrived in Belgrade yesterday. Xi Zhongxun this morning met and had a cordial conversation with Yi Chong-ok, member of the Political Bureau of the Korean Workers' Party Central Committee and vice president of the DPRK, who is in Belgrade attending the 13th LCY Congress.

Zarkovic Addresses Opening Session

OW250814 Beijing XINHUA in English 0801 GMT 25 Jun 86

[Text] Belgrade, 25 Jun (XINHUA) -- The 13th National Congress of the League of Communists of Yugoslavia (LCY) opened here today.

Vidoje Zarkovic, president of the Presidency of the LCY Central Committee, delivered a keynote report on the work of the league since the last party congress four years ago.

The report, entitled "LCY in the Struggle for the Further Development of Socialist, Self-Managing and Nonaligned Yugoslavia," reviewed accomplishments and difficulties the country now faces. It also discussed the causes of the present economic crisis and social problems and charted future tasks.

Zarkovic pointed out that ways to rid the country of its economic crisis will be found through forceful development of self-management, firm eradication of socio-economic base of autarky, reinforcement of an intensified economy and strengthening national unity.

The congress will also hear and examine a working report by the LCY Central Committee, modify the league's program and elect a new leading body.

Attending the congress are 1,742 delegates representing 2.1 million league members, and 125 foreign delegations, including a Chinese delegation headed by Communist Party Politbureau member Xi Zhongxun. About 2,200 local and foreign reporters are on hand to cover the congress, which will last four days.

Urges World Disarmament

OW250820 Beijing XINHUA in English 0804 GMT 25 Jun 86

[Text] Belgrade, June 25 (XINHUA) -- Describing the struggle against nuclear war and for peace as "without any doubt" the most significant global issue, Vidoje Zarkovic, president of the Presidency of the League of Communists of Yugoslavia, today called for an end to the arms race, in particular nuclear testing.

Addressing the 13th congress of the league, which opened here this morning, Zarkovic said the consequences of a nuclear war "would be disastrous for the entire human race." He said the arms race, and the possibility of it extending into space, as advocated by the military-industrial complex in the United States and some West European countries, is "alarming." "We emphatically condemn such a course and practice and resolutely demand measures to halt the arms race, ban nuclear weapons and begin a process of general and complete disarmament," Zarkovic said.

He said Yugoslavia has for decades advocated complete disarmament under international supervision, the liquidation of foreign military bases and the withdrawal of troops from foreign territories, a ban on nuclear tests, the formation of nuclear-free zones and other measures conducive to easing international tension and eliminating the danger of war. Zarkovic said his country had submitted several constructive proposals for disarmament and supports other initiatives in this area.

He also said Yugoslavia wants to develop strong and equitable relations with the big powers and the Mediterranean and European countries. "We are particularly keen on having stable and all-round relations with all the neighboring countries," he said. "We have a profound interest in peace, stability and cooperation in the Balkans," he added.

Analyzes SFRY Economic Progress

OW250854 Beijing XINHUA in English 0810 GMT 25 Jun 86

[Text] Belgrade, June 25 (XINHUA) -- Vidoje Zarkovic, president of the League of Communists of Yugoslavia (LCY), says his country will overcome its current social and economic difficulties by strengthening socialist self-management, combating "decentralized statism" and transforming its extensive economy into an intensive one.

In his report to the 13th LCY Congress, which opened today, Zarkovic candidly outlined both the achievements and failures on the road to the nation's vigorous development from a war-devastated country into a modern self-management social community.

The report entitled "The LCY in the Struggle for the further Development of Socialist, Self-Managing and Non-Aligned Yugoslavia" noted that in less than 40 years (1947-1985), Yugoslavia's social product increased seven times, volume of industrial production 17 times, and social sector employment more than five times. Education, health welfare, culture and scientific research also grew and improved, the document said.

However, Zarkovic admitted, the league has made many mistakes due to unrealistic ambitions in development policy, disintegration of the countryside, disruptions in the economy's material structure, heavy borrowing abroad and unrealistic expenditures.

He sharply criticized the country's failure to develop a system of social planning based on self-management after it had abandoned statist centralized planning. "In dropping the statist method of concentrating and steering social accumulation," he said, "we failed to develop a system of concentration of resources in self-management. This reinforced the elemental and autarkic tendencies and intensified the disproportions in the material pattern of our country."

Zarkovic told the congress that the role of the state has grown beyond the constitutionally defined framework. Because of excessive interference, the state has prevented organized labour from exercising its constitutionally defined role, he said.

The president also attributed the country's current economic failure in part to unfavorable international conditions, particularly rising trade protectionism.

Zarkovic's report attacked nationalistic forces as "the most dangerous among the forces engaged in counter-revolutionary activities today." Zarkovic said since the last congress, economic and social crisis have peaked. The league too, he said, has matured and become better prepared to tackle the problems facing Yugoslav society.

He said the only way out of the country's economic crisis is through more intensive development of socialist self-management, abolition of "decentralized statism" and bureaucracy, speedier transition from extensive to intensive industry, and strengthening of national unity and equality.

The president called for a faster and more even realization of the long-term economic stabilization program formulated in 1982 before the last congress.

He also required a halt to the declining living standards and more equitable distribution of the products of labour and urged adoption of a comprehensive anti-inflationary program at all levels, from basic labor organizations to the federation, to check Yugoslavia's inflation rate of 80 percent and unemployment, which stands at 1.1 million.

The LCY leader stressed that the principle of democratic centralism remains the inviolable foundation of relations with the league and that there is no room for federalization in the League of Communists.

The congress is scheduled to last four days.

Pledges Nonaligned Support

OW251006 Beijing XINHUA in English 0950 GMT 25 Jun 86

[Text] Belgrade, June 25 (XINHUA) -- Vidoje Zarkovic, leader of the League of Communists of Yugoslavia (LCY), today pledged continued Yugoslav backing for the Non-Aligned Movement. At the first session of the LCY's 13th Congress, Zarkovic said that "acting as an independent, global and non-alignment policy have asserted themselves as a major political and moral force of the contemporary world."

He told the 1,742 delegates at the congress that the Non-Aligned Movement, by its struggle for peace, democratization of international relations and establishment of a new international economic order, "is significantly contributing to progressive social development in the world."

He noted that the increasingly pronounced aspirations of nations, especially non-aligned countries, for peace and equitable international cooperation "are being countered by power politics, domination and hegemony."

Zarkovic pledged the Yugoslavia will continue to invest its efforts to strengthen the bilateral cooperation with the non-aligned and developing countries seeking in particular to increase mutual trade and scientific-technical cooperation.

A durable and stable peace cannot be secured unless the deep division of the world community into the rich and the poor is overcome and the major economic development problems of the developing countries, such as food, debts, commodity prices, technology transfer terms and the like are resolved, he said.

Zarkovic also called for the establishment of a new international order in the field of information and cultural exchange as the domination by the developed countries which jeopardizes the cultural and national identity of the developing countries is having an effect on overall international relations.

He stressed that the Non-Aligned Movement has prepared a comprehensive platform to address most international concerns and has offered a series of constructive proposals and ideas. "We are confident that the next conference (of the non-aligned countries) in Harare will also take a step forward toward resolving concrete problems on the way to overcome the grave economic difficulties of the contemporary world," he added.

FURTHER REPORTAGE ON MALIAN PRESIDENT'S VISIT

Visits Nanjing, Sees Governor

OW231240 Beijing XINHUA in English 1214 GMT 23 Jun 86

[Text] Nanjing, June 23 (XINHUA) -- Malian President Moussa Traore and his party arrived in Nanjing, capital of Jiangsu Province, this afternoon from Lanzhou in the company of Minister of Chemical Industry Qin Zhongda. Governor of Jiangsu Gu Xiulian gave a banquet in honor of President Traore, his wife and their party here this evening.

Greeting the Malian visitors at the airport this afternoon were Governor Gu and African students here. Later Traore and his party visited the Nanjing Bridge over the Yangtze River. This morning, Traore visited Lanzhou no. 1 woollen mill and a bridge over the Yellow River in Lanzhou.

Visits Yangzhou

OW241434 Beijing XINHUA in English 1420 GMT 24 Jun 86

[Text] Nanjing, June 24 (XINHUA) -- Malian President Moussa Traore, his wife and their party today drove from Nanjing to China's ancient cultural city, Yangzhou, where they saw water conservancy project. Built in 486 B.C., Yangzhou is a hub of water and land communications in north Jiangsu Province, east China. The Malian guests visited the Jiangdu water control project and irrigation of farm land.

At lunch today, President Traore expressed his hope to strengthen interregional contacts between the two countries and promote exchanges between peasants. They also visited a lacquerware factory in Yangzhou. Traore and his party returned to Nanjing after visiting the city.

Accompanies Jiangsu Governor

OW251046 Beijing XINHUA in English 1031 GMT 25 Jun 86

[Text] Nanjing, June 25 (XINHUA) -- Malian President Moussa Traore, his wife and their party visited Nanjing no 2 machine tools plant in the company of Governor Gu Xiulian of Jiangsu Province here today. The 90-year-old plant makes 1,800 machine tools each year and its products were exported to more than 20 countries and regions. After visiting workshops, a clinic and a dining-room in the factory, Traore made an inscription, wishing the enterprise even greater success. The guests also visited Sun Yat-sen mausoleum here today.

Ends Visit, Leaves for DPRK

OW260146 Beijing XINHUA in English 0132 GMT 26 Jun 86

[Text] Beijing, June 26 (XINHUA) -- Malian President Moussa Traore and his party left here this morning for the Democratic People's Republic of Korea at the end of their visit to China. The Malian visitors arrived here from Nanjing earlier this morning. They were seen off at the Nanjing airport by Chinese Minister of Chemical Industry Qin Zhongda and Governor of Jiangsu Province Gu Xiulian.

CPC DELEGATION ATTENDS TUNISIAN PARTY CONGRESS

OW201429 Beijing XINHUA in English 1200 GMT 20 Jun 86

[Text] Tunis, June 19 (XINHUA) -- The 12th Congress of the Tunisian Socialist Destour Party (SDP) opened here today with more than 50 foreign delegations attending the congress. 1,120 delegates from all over the country took part in the 3-day congress. The SDP has a membership of nearly one million.

At the opening ceremony, Habib Bourguiba, Tunisian president and SDP chairman, addressed the congress. He expressed his confidence in the leadership of Mohamed Mzali, secretary general of the SDP Political Bureau. In his speech, Bourguiba expressed the government's concern over housing, unemployment and other social problems. He said he had issued instructions that housing conditions be improved within a reasonably short period of time.

Premier and SDP Secretary General Mohamed Mzali delivered a report on the work of the previous congress at the opening meeting. According to him, although the country has been suffering from the effect of the international economic crisis, the policy of reform for the 6th Five-Year (1982-86) Plan has contributed to the development of the Tunisian economy and culture.

A Chinese Communist Party delegation led by Zhou Jie, deputy-director of the General Office of the CPC Central Committee, also attended the opening session. Mzali met the Chinese delegation and Xue Bangdin, the Chinese ambassador to Tunisia, this evening. At the meeting, Zhou Jie handed a message of greetings from the Central Committee of the Chinese Communist Party to Mzali.

The 12th SDP Congress will end on Jun 21.

SYRIA'S AL-ASAD ACCEPTS INVITATION TO VISIT PRC

OW221747 Beijing XINHUA in English 1734 GMT 22 Jun 86

[Text] Damascus, June 22 (XINHUA) -- Syrian President Hafiz al-Asad has accepted an invitation from Chinese President Li Xiannian to visit China and expressed his desire to make the visit as early as possible. He made the remarks while receiving credentials presented by the new Chinese Ambassador to Syria Want Changyi here today.

President al-Asad highly appraised the important role played by China in international affairs and expressed the hope that friendly cooperations between the two countries will be further developed in various fields. The new Chinese ambassador arrived here on April 18.

ZHAO ZIYANG MEETS NEW PLO REPRESENTATIVE

OW201441 Beijing XINHUA in English 1214 GMT 20 Jun 86

[Text] Beijing, June 20 (XINHUA) -- Premier Zhao Ziyang met here today the new head of the Palestine Liberation Organization mission in Beijing, Yusuf Rajab Raddi.

PRC, JORDANIAN UNIVERSITIES SIGN AGREEMENT

OW210006 Beijing XINHUA in English 2355 GMT 21 Jun 86

[Jordanian names as received]

[Text] Amman, June 21 (XINHUA) -- An agreement of academic cooperation between China's Beijing Foreign Study University and Yarmouk University of Jordan was signed here today. The agreement was signed by Hu Wenzhong, vice-president of Beijing Foreign Study University (former Beijing Institute of Foreign Languages) and Adara Bardran, president of Yarmouk University.

The two universities will exchange visiting scholars and professor of linguistics, the humanities, sociology and international relationship, according to the agreement. They also agreed on the exchanges of students' academic materials and experience and on mutual visits of administrative staffs.

The Beijing Foreign Study University will also act as a go-between to link Yarmouk University with other Chinese universities. Yarmouk University, founded in 1970, is a comprehensive university with a total enrollment of 14,000 students.

HU QILI, ZHANG JINGFU MEET IRAQI DELEGATION

OW201547 Beijing XINHUA in English 1416 GMT 20 Jun 86

[Text] Beijing, June 20 (XINHUA) -- Hu Qili, on behalf of the Communist Party of China (CPC) Central Committee, welcomed here today a delegation from the Iraqi Arab Ba'th Socialist Party (IABSP).

Hu, member of the Political Bureau of the CPC Central Committee, and State Councillor Zhang Jingfu, jointly met the delegation led by Samir Muhammad 'Abd al-Wahhab, member of the regional leadership of the IABSP and advisor to the Iraqi president. Hu said the visit of the delegation demonstrated the great importance attached by the IABSP to the friendship between the Chinese and Iraqi peoples, and will promote the friendly relations between the two parties to a new stage.

Zhang Jingfu expressed the hope of furthering economic and technical cooperation between the two countries. Samir spoke highly of the Chinese people's support for the just cause of the Arab people, especially the Palestinian people.

Wang Zhaoguo Attends Banquet

OW201609 Beijing XINHUA in English 1448 GMT 20 Jun 86

[Text] Beijing, June 20 (XINHUA) -- Iraqi Ambassador to China Rashid M.S. al-Rifai gave a return banquet at the embassy here tonight on the occasion of the China visit by a delegation from the Arab Ba'th Socialist Party in Iraq (IABSP). The delegation was led by Samir Muhammad 'abd al-Wahhab, member of the regional leadership of the IABSP and advisor to Iraqi president. Among those present were Wang Zhaoguo, member of the Secretariat of the Chinese Communist Party Central Committee, He Dongchang, vice minister of the State Education Commission, and Jiang Guanghua, deputy head of the International Liaison Department of the CPC Central Committee. The delegation visited Tianjin yesterday and will leave here tomorrow at the end of its visit.

HU YAOBANG RETURNS TO BEIJING; MET BY ZHAO

Leaders Greet Plane

OW260626 Beijing XINHUA in English 0553 GMT 26 Jun 86

[Text] Beijing, June 26 (XINHUA) -- General Secretary Hu Yaobang of the Chinese Communist Party Central Committee today returned here from Kunming by special plane at the end of his official visit to Britain, the Federal Republic of Germany, France and Italy.

He was greeted at the airport by Zhao Ziyang, Yang Shangkun, Hu Qili, Wu Xueqian, Wang Zhaoguo and Qian Changzhao as well as diplomatic envoys of the four Western European countries to China. Returning on the same plane were Li Peng, member of the Political Bureau of the CPC Central Committee and vice-premier of the State Council, and Fei Xiaotong, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference.

Hu and his party arrived in Kunming from Turin on June 24.

Upon their departure from Kunming this morning, they were seen off at the airport by leading members of the Yunnan Province and the Kunming City. During his stay in Kunming, Hu made an inspection tour of Yuxi City famous for its tobacco.

Zhao: Ku, Zhao Not To Retire

OW260821 Tokyo KYODO in English 0812 GMT 26 Jun 86

[Text] Beijing, June 26 KYODO -- Communist Party General Secretary Hu Yaobang and President Li Xiannian have no plans to retire at the party convention next year, Premier Zhao Ziyang said Thursday.

There is speculation that Li, who has been in poor health, may be replaced by Zhao and that Hu may be succeeded by Hu Qili, a Politburo member. Zhao spoke to reporters at Beijing Airport where he met Hu Yaobang on his return from a tour of West European countries.

MASS EXECUTION OF 31 CRIMINALS CONDUCTED

HK251100 Hong Kong AFP in English 1044 GMT 25 Jun 86

[Text] Beijing, June 25 (AFP) -- Thirty-one criminals were put to death here Wednesday in China's largest mass execution since it launched a widely publicized drive against crime in 1983, officials said. The list of executed prisoners, all men aged 19 to 35, was posed outside a Beijing courthouse and read by silent crowds of onlookers. All were killed early Wednesday by China's traditional method of a bullet in the neck.

Six of the 31 were convicted murderers; others were found guilty of rape or armed robbery or were repeat offenders. A 22-year-old store manager and his 21-year-old employee were condemned for stealing money, cigarettes and a car.

Wednesday's mass execution was the largest since the anti-crime campaign was launched nearly three years ago.

Eighteen people were shot in the last mass execution here in January. An estimated 10,000-plus people were executed in the first year of the drive against crime, diplomats here said. Hundreds of thousands of Chinese were reportedly arrested or deported to desert or semi-desert regions.

After cracking down on murderers and rapists, the Chinese authorities turned their attention to economic crimes -- embezzlement, bribery and corruption.

The Chinese press regularly carries reports of prosecutions, but executions are rarer, with only about 20 offenders said to have been put to death. The trials are sometimes held in public stadiums in front of several thousand people.

Those condemned to death are usually executed immediately after being sentenced. Some 13,000 people filed into the Workers' Stadium here for the sentencing in January.

Proceedings against a bank employee accused of embezzlement in the central town of Anyang drew 50,000 spectators in April. The Beijing leadership launched in January a campaign against corruption within the Chinese Communist Party, with the press warning that senior leaders and their offspring would not be exempt. Three children of senior party officials in Shanghai were executed in February for rape and "hooliganism."

NPC STANDING COMMITTEE MEETING CLOSES IN BEIJING

1985 Final Accounts Approved

OW251421 Beijing XINHUA Domestic Service in Chinese 1029 GMT 25 Jun 86

[Text] Beijing, 25 Jun (XINHUA) -- Resolution of the NPC Standing Committee approving the 1985 final state accounts (Adopted on 25 June 1986)

According to a resolution of the 4th meeting of the 6th NPC on "authorizing the NPC Standing Committee to examine and approve the 1985 final state accounts," the 16th meeting of the 6th NPC Standing Committee heard a "Report on the 1985 Final State Accounts" made by State Councillor and concurrently Finance Minister Wang Bingqian. After deliberation based on the Financial and Economic Committee's report, the meeting decided to approve the State Council's 1985 final state accounts and State Councillor and concurrently Finance Minister Wang Bingqian's "Report on the 1985 Final State Accounts."

Appointments, Removals Made

OW260151 Beijing XINHUA Domestic Service in Chinese 1159 GMT 25 Jun 86

[Text] Beijing, 25 Jun (XINHUA) -- List of appointments and removals by the Standing Committee of the National People's Congress

Approved by the Standing Committee of the 6th National People's Congress at its 16th meeting on 25 June 1986

1. Sa Yier and Shi Yun are appointed advisers to the Nationalities Committee of the National People's Congress. Sa Yier is removed from his post as deputy secretary general of the National People's Congress Nationalities Committee.

Zhang Wensong and Yang Jun are appointed advisers to the Education, Science, Culture, and Public Health Committee of the National People's Congress.

Chu Tunan is removed from his post as vice chairman of the Foreign Affairs Committee of the National People's Congress.

Gao Dengbang and Yang Ming are removed from their posts as deputy secretaries general of the Standing Committee of the National People's Congress.

2. Liang Guoqing is appointed deputy procurator general of the Supreme People's Procuratorate and member of its Procuratorial Committee.

Standing Committee Member Resigns

OW260307 Beijing XINHUA Domestic Service in Chinese 1202 GMT 25 Jun 86

[Text] Beijing, 25 Jun (XINHUA) -- Decision by the Standing Committee of the National People's Congress to accept Jiang Jiafu's request to resign his position as member of the Standing Committee of the National People's Congress (Adopted on 25 June 1986)

The "Organic Law of the National People's Congress of the People's Republic of China" stipulates that "members of the Standing Committee shall not hold posts in state administrative, judicial, or procuratorial organs; if they do so, they must resign their posts as members of the Standing Committee." In accordance with this stipulation, the 16th meeting of the 6th National People's Congress Standing Committee has decided to accept Jiang Jiafu's request to resign his post as member of the 6th National People's Congress Standing Committee and to report to the National People's Congress for the record.

Meeting Ends

OW260027 Beijing XINHUA Domestic Service in Chinese 1154 GMT 25 Jun 86

[Text] Beijing, 25 Jun (XINHUA) -- The 16th meeting of the 6th NPC Standing Committee closed at the Great Hall of the People this afternoon.

NPC Standing Committee Chairman Peng Zhen attended today's meeting. The meeting was presided over by NPC Standing Committee Vice Chairman Chen Pizian.

The meeting passed the "Law of the People's Republic of China on Land Management." This law has seven chapters and 57 articles. In addition to the general provisions, the law deals with land ownership, the right to use land, the use and protection of land, land for state construction projects, land for town (township) and village construction projects, legal liabilities, and other topics. This law will go into effect as of 1 January 1987.

The meeting also adopted a resolution to approve the final state accounts for 1985 put forward by the State Council and the "report on the Final State Accounts for 1985" made by State Councillor and Minister of Finance Wang Bingqian.

On the nomination of Premier Zhao Ziyang, the meeting decided to appoint Wang Meng as minister of culture and to relieve Zhu Muzhi from his post as minister of culture.

The 51-year-old author Wang Meng was born in Pi County, Hebei. He is now also vice chairman of the Chinese Writers Association and editor-in-chief of RENMIN WENXUE.

The meeting also decided to appoint Liang Guoqing [2733 0948 1987] as deputy procurator general and member of the Procuratorial Committee of the Supreme People's Procuratorate.

According to the provisions of the organizational law of the National People's Congress, the meeting decided to accept Jiang Jiafu's resignation from his post as a member of the Sixth NPC Standing Committee.

The meeting also endorsed other appointments and dismissals.

Attending today's meeting were Vice Chairmen of the NPC Standing Committee Geng Biao, Peng Chong, Wang Renzhong, Zhu Xuefan, Ngapoi Ngawang Jigme, Seypidin Aizezi, Zhou Gucheng, Yan Jici, Ye Fei, Huang Hua, and Chu Tunan.

State Councillor Song Ping, President Zheng Tianxiang of the Supreme People's Court, and Procurator General Yang Yichen of the Supreme People's Procuratorate attended the meeting as observers.

BAN YUE TAN ON RELAXED ENVIRONMENT FOR REFORM

HK251216 Beijing BAN YUE TAN in Chinese No 11, 10 Jun 86 pp 6-7

[Article by Xue Zhongxin: "Reform Needs a Relaxed Environment"]

[Text] Economic reform and the development of science and culture require relaxed economic and social environments.

In his "report on the Seventh 5-Year Plan," Premier Zhao Ziyang pointed out that the "overall development of economic reform requires a relaxed economic environment." While making investigations and studies in Shanghai, Comrade Hu Qili said that party leading comrades at all levels, together with comrades engaged in the work of social sciences and those on the ideological and cultural fronts, should make efforts to create an atmosphere of unity, harmony, mutual trust, and mutual understanding. He added that this is the basis for progress in our cause. In his remarks, emphasis was laid on creating a relaxed social environment.

Why is it necessary to create a relaxed environment? This is because the reform we are carrying out is an overall reform, an extensive, profound, and protracted change, and a great experiment in human history. In exploring and blazing a road of socialist modernization with Chinese characteristics, we must bring into play the strength and wisdom of millions upon millions of people and encourage them to work with one heart and one mind. Only in a relaxed and harmonious environment can the people act as the masters of the country, boldly carry out explorations and creation, engage in democratic discussions, and strive to make their reforms a success, to have an economic take off, and to achieve prosperity in science and culture.

Since reform is profound revolution, it will have an unprecedented impact on rigid and traditional concepts and habits. People are required to gradually adapt themselves to this change.

The central authorities have stressed time and again that we should be resolute in carrying out reforms, in launching the first battle, and strive to win it. On matters involving the people's interests, policies should be carefully worked out, giving consideration to rights, profits, and losses. The feeling of being over anxious for quick results should not be allowed and efforts should be made to prevent social upheavals and the tightening of relationships in various fields.

In creating a relaxed environment, what should we pay attention to?

In creating a relaxed environment, we should correctly handle the problems in reforms. In the face of problems, we should not be at a loss of make subjective, arbitrary conclusions. Reforms require explorations, from which new problems will arise. It is natural for people to have different views and opinions on reforms. To solve their differences of opinion, fact-finding analysis and correct guidance are necessary. Leaders at various levels should carry out meticulous ideological work and do their best to preserve the trend of reform.

In creating a relaxed environment, we should have a profound understanding of the importance of socialist democracy. Only by bringing into full play the role of socialist democracy can we fully arouse the initiative of the people and turn such initiative into a material force for promoting reforms. Without socialist democracy, there can be no socialist modernization. Under the prerequisite of the four basic principles, we should encourage a democratic work style and allow people to think independently, to make various suggestions, and to supervise our work in various fields.

In creating a relaxed environment, we should conduct normal criticism and self-criticism. In theoretical and academic studies as well as in literature and art creation, it is normal for different views and opinions to crop up. It is necessary to implement the policy of "letting a hundred flowers blossom and a hundred schools of thought contend." Criticism and self-criticism should be conducted in moderation and by reasoning. Those who are criticized are allowed to explain or countercriticize. The purpose is to distinguish between right and wrong, to seek truth, to strengthen unity, and to promote our cause.

Of course, by creating a relaxed environment, we do not mean encouraging people to behave in a lax, undisciplined manner or that leaders can relax their disciplinary control, still less do we mean bourgeois liberalization. The relaxed environment we refer to is a social environment we refer to is a social environment in which problems can be discussed in a democratic and equal manner on the basis of unity and harmony -- a social environment in which construction smoothly proceeds under the conditions of stability and unity. This is an environment where the people can fully display their talents and where the two civilizations can be simultaneously carried out. This is just what was described by Comrade Mao Zedong: "A political situation in which there are both centralism and democracy, both discipline and freedom, both unity of will and personal ease of mind, and liveliness."

The higher authorities and the lower levels should keep pace with each other in creating a relaxed environment for reforms and construction.

STATE COUNCIL CIRCULAR ON REFORM OF COMMERCE

OW250325 Beijing XINHUA Domestic Service in Chinese 0654 GMT 24 Jun 86

[Text] Beijing, 24 Jun (XINHUA) -- The State Council recently approved an transmitted a "Report on Several Questions Concerning the Reform of Commercial Structure in 1986," which was submitted by the State Commission for Restructuring the Economic System, the Ministry of Commerce, and other departments, and issued a circular in this connection, calling on all localities to earnestly carry out the reform in the light of actual situation in each locality.

The State Council's "circular" said: In view of the current commercial circulation system, which still cannot keep a breast of the needs of planned development of the commodity economic, it is necessary to deepen the reform by consolidating, digesting, replenishing, and improving the reform measures already taken and, at the same time, emancipate the mind to promote lateral economic cooperation in commerce and explore new circulation channels and commercial forms in the course of reform.

As reform of the commercial circulation system involves various sectors of the national economy, all local people's government should coordinate the efforts of all quarters and map out unified arrangements for carrying out this reform as an integral part of the entire economic structural reform.

Currently special attention must be paid to ensure market supply in the course of the structural reform in order to promote market prosperity and stability and create a favorable environment for the reform.

The "Report on Several Questions Concerning the Reform of Commercial Structure in 1986," submitted by the State Commission for Restructuring the Economic System, the Ministries of Commerce and Finance, and the State Council's Economic, Technological, and Social Development Research Center, said: In recent years, we have scored fairly remarkable achievements in carrying out a series of reforms in the commercial circulation system. However, due to an incomplete market mechanism and uncoordinated macroeconomic regulation during the current transitional period between new and old systems, we have not yet effectively relaxed control over some fields, while failing to reorganize other fields already decontrolled. As a result, the commercial circulation system still cannot keep abreast of new demands in the development of commodity economy, and must be further improved. In 1986, it is necessary to consolidate, digest, replenish, and improve the reform measures and actively explore new circulation channels, commercial forms, management systems, and measures for macroeconomic regulation.

1. It is necessary to develop extensive lateral economic associations in the commerical circulation field.

It is necessary to concentrate efforts on promoting extensive lateral economic cooperaton, which is crucial for deepening the reform of the commercial circulation system. We must earnestly implement the "Regulations of the State Council Governing Certain Questions in Promoting Lateral Economic Associations" and, in accordance with the special characteristics of commodity circulation, develop various forms of lateral associations based on enterprises, centered around cities, and providing mainly commodity procurement and marketing service, thereby gradually forming a nationally unified commodity marketing network linked by circulation channels from all directions.

It is necessary to break down the barriers between higher and lower levels and between different departments or regions and remove the restrictions imposed by various regions, cities, towns, departments, and trade in promoting transregional and transdepartmental combinations of industry and commerce, agriculture and commerce, agriculture, industry, and commerce, commerce and commerce, and commerce and trade. Members of an association may cooperate in providing services before, during, and after production, or in procuring and marketing commodities. They may cooperate in one or several business undertakings, or they may be a loosely or closely formed combination of enterprises. In circulating manufactured goods of everyday use, it is necessary to develop combinations between industry and commerce between commerce and commerce, and gradually set up large commercial corporations based on such combinations. In circulating farm and sideline products, it is necessary to develop transregional associations based on cities and counties, and gradually explore economically rational new circulation channels through such associations. It is necessary to develop locally-run joint commercial undertakings with independent management, combine production with marketing and combine agriculture, industry, and commerce together, and establish direct links between town and country and between the producer and the consumer in order to reduce the chains and speed up the circulation. Commercial facilities such as transport teams, storages, and warehouses should gear to the needs of the community and improve service.

The governments and the relevant departments in various localities must actively support and encourage the development of lateral economic ties. We must solve the problems which have cropped up in the course of promoting associated operations among enterprise such as fund raising and double taxation. We must permit enterprises in rural areas and various localities to open up shops or engage in joint operations with city enterprise. We must allow supply and marketing cooperatives and township enterprises to enter joint operations with any enterprise in the city, and permit urban commercial establishments to promote associated operations of buying and selling in rural areas. Except for merchandise to be produced under state planning or specialized merchandise to be produced with local subsidies, we must permit various manufacturing enterprises to freely select the factories from which they buy the merchandise to replenish their stock. At the same time, we must strengthen our leadership over various enterprises in developing lateral economic ties, and guard against rushing headlong into mass action.

In developing lateral economic ties, we must further straighten out the wholesale system. Wholesalers in place where the merchandise is being manufactured may sell goods for a profit or on a commission basis, or act as an agent for a manufacturing enterprise. They may enter joint operation with the manufacturing enterprise in selling the goods. Manufacturing enterprises may directly coordinate with wholesalers and retailers in place where goods are being sold or enter associated operation with them, gradually forming a new wholesale network. Wholesalers of state-run commercial establishments must adhere to the principle of doing business while rendering services. On the one hand, they must support the factories in the producing area to directly engage in wholesale business, render services of facilitate the circulation of merchandise and the exchange of information, while on the other and, they must actively sell the local products as well as those products manufactured in other localities.

We must reduce the varieties of goods that should be allotted by the state, and convene less meetings at which goods of various types will be distributed arbitrarily by higher authorities.

Various large and medium-sized cities must unify their plans and do a good job in running wholesale trade centers for manufactured goods, wholesale markets for farm and sideline products, markets for small commodities and markets for farm products on a barter basis. We must include the development of such centers and markets in the general plan for urban development. We must find locations, and raise funds to accelerate our pace in developing such centers and markets. We must earnestly consolidate the existing trade centers, and gradually turn them into trade centers that are open to and serve the wholesalers. We must turn them into permanent trade centers for buying and selling goods for future delivery in large quantity. However, right now, we may do some business on our own during this transitional period.

2. It is necessary to further invigorate large and medium-sized state-run business enterprises.

Large and medium-sized state-run business enterprises play an important role for commodity circulation on the market. We should further invigorate such enterprises. We must work out regulations to help large and medium-sized business enterprises expand their decision-making power, and truly become economic entities that run their own business and assume sole responsibility for their profits or losses. We must further improve the responsibility system within an enterprise in doing its own business, gradually standardize the business management (including the standardization of business management and services), continuously raise the level of business management, and improve economic results and social benefits. We must strictly forbid anyone from arbitrarily demanding money or requisitioning labor from any enterprise.

3. It is necessary to continue to relax our control over small state-run business establishments.

To relax our control over small enterprises is a major reform in the field of commerce. We must do a good job in consolidating and improving those enterprises over which we had already relaxed our control. We must gradually relax our control over those enterprises which are still under control. To relax our control over small business establishments, we should recommend that they become collectively owned and individually managed. Those small enterprises that are state-owned and collectively managed must gradually become collectively owned. A definite period must be set for any small enterprise on lease. After the lease has expired, those enterprises collectively leased may become collectively owned. Lease holders may also continue to lease them or sell them to individuals at the market price. We must actively help small enterprises over which we have relaxed our control to create conditions and gradually change their affiliation with state-run companies.

4. It is necessary to strengthen macroeconomic regulation and management of market and commodity circulation.

Under the present circumstances, when prices and price parties between products have not been made fair and reasonable, it is necessary to fully use credit, taxation, financial subsidies, and other means to macroeconomically regulate market and commodity circulation.

It is necessary to selectively ensure the availability of funds for procuring grain, cotton, edible oil, pigs, and other important commodities in state plans and to help make funds available for procuring readily salable consumer goods and farm and sideline products. With the approval of the tax department, small enterprises which make small profits on labor and on dealing with daily necessities may be exempted from their business tax or have it reduced if they have difficulties paying tax. Tax management should be strengthened for individual and collective commercial ventures and for small deregulated state-owned commercial enterprises.

It is necessary to improve the management of commodity prices while ensuring overall price stability. It is necessary to strengthen the control of commodity prices that are fixed by the state or under state guidance. Price adjustment and pricing guidelines must be approved by the relevant commodity price authorities. Enterprises may decide for themselves the prices of deregulated industrial goods for daily use and of farm and sideline products, except for those which are under the control of price guidelines. Wholesale prices of the manufacturing enterprises and commercial stores should be fixed in accordance with the pricing method for batch commodities.

Commercial administrative departments and administrative offices for industry and commerce at all levels should share the work and cooperate with each other in strengthening administrative control of commerce and the market. It is necessary to perfect commercial and market laws to keep up with the new opening and enlivening situation, act in strict accordance with the law, crack down on illegal activities, protect legitimate business, and straighten out market order.

5. It is necessary to further streamline government administration and delegate more power to lower levels.

Commercial departments at all levels must enforce separation of government functions from those of enterprises, streamline government administration, and delegate to enterprises all the power they deserve. They must also actively explore ways to exercise indirect control of enterprises. In addition, under the unified plan of the local government, they should continue to carry out the experiment of unified control of commerce at selected points. Corporations of an administrative nature at the provincial and prefectural levels should, in principle, be abolished.

In the experiment of separating government functions from those of enterprises, cities and counties with the necessary conditions may set up chambers of commerce and trade associations of various kinds on a trial basis. Such organizations should be formed by enterprises on a voluntary basis instead of by administrative order.

RENMIN RIBAO COMMENTATOR ON DEVELOPING POOR AREAS

HK241348 Beijing RENMIN RIBAO in Chinese 20 Jun 86 p 1

[Commentator's article "Accelerate the Development of Poverty-Stricken Areas in the Course of Reform"]

[Text] The State Council's leading group for economic development in poor areas recently called for basically solving the people's food and clothing problems in the poor areas in 5 years' time (or during the period of the Seventh 5-Year Plan).

At the same time, it called for forming the capacity to develop the commodity economy by relying on their own strength in these areas so as to create favorable conditions for long-term development and construction and to advance along the course of gradually becoming rich. This is a major decision and program made by the party and the government for speeding up the development of the poor areas. This is of great economic and social significance and requires joint efforts of all people in our society.

Over the past 30 years and more since the founding of the PRC, the party and the government have always paid close attention to improving the living standard of the people in poor areas. In order to change the conditions in these areas, the state has appropriated large amounts of money each year and has offered preferential treatment to these areas. These measures have indeed achieved some results, but the results are still not quite satisfactory. Thus far, many poor areas have not developed and changed markedly. So, shall we be able to achieve the objective of basically solving the food and clothing problem of the peasants in poor areas in 5 years' time?

Our answer is yes. first, the party central leadership and the state are deeply concerned with the well-being of the people in poor areas, and the people in these areas all ardently desire to free themselves from poverty. Meanwhile, the development of the national economy and the support given by the whole nation to the poor areas will also play a great role. Second, when the targets of developing poor areas in the Seventh 5-Year Plan period were formulated, attention was focused on solving problems in large stretches of poor areas in an orderly way by giving priority to ensuring that the people there will have sufficient food and clothing. This will prevent us from too widely scattering our resources and will bring about marked results in the areas on which we concentrate our efforts and resources. Third, we are undergoing major reforms which are adding vigor to the rural economy and are bringing hope and vitality to the poor areas. Through reform explorations in recent years and by summing up the experience, both positive and negative, in the past 30 years and more, we have more clearly realized the way we should go in order to develop the poor areas. The key for us now is not to increase investments in these areas, but to adopt effective measures to develop production and arouse new economic vitality there by introducing some new development modes, relaxing administrative controls, changing the previous leadership methods and production approaches which were not suited to the conditions of these areas, and thoroughly changing the previous method of merely giving relief to these poor areas.

To establish a new development mode in the poor areas, we should first change the method of relying on the external supply of materials, and should mainly strengthen the self-development capacity of the poor areas by making use of necessary external assistance. Funds should not be scattered too widely or be distributed in an egalitarian way; instead, funds should be concentrated and be used in some priority areas. The funds should be used on a compensable basis. Not only should funds be offered to the poor areas, but technology and technical manpower should also be transferred to these areas. Not only should relief be given to these areas, but main efforts should be made to help them develop their industrial foundation. The turnover of funds appropriated to these areas should be accelerated.

In short, state appropriations for the poor areas should bring about better economic and social results. The limited financial resources should be used most efficiently. The external supply of funds and materials constitute a necessary condition for the development of the poor areas, but in order to change the development mode and the economic pattern there, the most important thing is to break through the self-sufficient economy at a low level and to greatly develop the commodity economy there. They should not be required to stick to a narrow production range; instead, their production structure should be diversified. At the same time, their economic activities should not be confined to a seclusive local sphere, but should be linked to extensive horizontal economic networks so as to form an open economic pattern. The basic purpose of reforms in the above two aspects, as well as the central task, is to form a set of self-development economic mechanisms so that the poor areas will be able to develop their economies by relying on their own strengths and to eventually achieve the goal of shaking off poverty and becoming rich.

Changing the backward conditions in the poor areas is an arduous strategic task. The party and government leading organs at all levels must have firm determination, persevere in reforms, dare to break new ground in their work, go deep into realities, and work in a down-to-earth manner, so as to advance the work of promoting the economic development in all poor areas.

COMMENTARY URGES DEVELOPING LIGHT INDUSTRY

0W230413 Beijing Domestic Service in Mandarin 1100 GMT 22 Jun 86

[Station commentary: "Vigorously Develop the Collective Economy in Light Industry"]

[Text] Collective enterprises in light industry are an important force in light industrial production and the backbone of the urban and rural collective enterprises. There were more than 59,000 collective enterprises in light industry by the end of last year, accounting for 83.2 percent of the light industrial enterprises; and they made up 44.13 percent of the total output value. This economic force is playing an increasingly important role in the economic life of our country.

Collective enterprises in light industry developed gradually on the basis of the collectivization of handicrafts in the 1950's. The first National Congress of Handicraft Cooperative Members was convened in December 1957, fully affirming the important status and role of the collective handicraft economy in the socialist economy. Regrettably, because of mistakes caused by the Great Leap Forward, some of the just-collectivized handicraft organizations were turned into state enterprises while others were put under people's commune management. In addition, the policy at that time in this regard was not clearly defined, and there was confusion in management. As a result, the production of the collective enterprises in light industry was seriously affected. Consequently, some urgently-need consumer goods and small commodities for daily use were out of stock for a long time, and the structure of the socialist market and the needs of the people in consumption were also seriously affected.

The collective handicraft economy was rehabilitated and readjusted in 1961, promoting the development of production. In the 10 years of turmoil, however, the collective economy suffered setbacks again. A new period of development for the collective economy in light industry did not begin until the 3d Plenary Session of the 11th CPC Central Committee.

According to statistics, the total output value of the collective enterprises in light industry increased at an average rate of 11.6 percent a year during the Sixth 5-Year Plan. Important changes also took place in the structure of trades. In addition to traditional trades in making clothing, shoes, hats, hardware, tools, stationery, handicraft articles, and products for minority nationalities, new trades have developed, such as plastics, household electrical appliances, lamps and lanterns, whole sets of tools for indoor use, packaging, and decorating.

The fixed assets of the collective enterprises in light industry were valued at 19.8 billion yuan in 1985, a twelvefold increase over 1963. They paid 44.5 billion yuan of taxes to the state and made an important contribution in earning foreign exchange through exports.

As far as the actual conditions in the economic life of our country are concerned, it can be said that we have every reason to attach great importance to the development of collective enterprises in light industry and have no reason whatsoever to pay no attention to the important role being played by these enterprises.

All localities should support the development of collective enterprises in light industry according to their actual conditions and in a planned way and regard this as a long-term strategic measure for developing their local economies, stimulating the urban and rural markets, and satisfying the needs of the people in daily life. Particularly regions with a better foundation in the collective economy should take the lead in making full use of their favorable conditions and lay down specific policies and measures to ensure the vigorous development of collective enterprises in light industry.

CHINA DAILY COLUMNIST EXAMINES SUBSIDY SYSTEM

HK260232 Beijing CHINA DAILY in English 26 Jun 86 p 4

["It Seems to Me" column by Xiao Xiao: "Who Enjoys Subsidy? Who Pays?"]

[Text] In the course of our economic reforms, we have gradually found that the simple things in our daily lives can seem far more complicated than they really are.

One illustration was last winter's debate about the problems with Beijing's mass transport. The novelist Liu Xinwei offered two solutions -- tolerance on the part of city dwellers and continued subsidy of the bus system on the part of the municipal government.

But being a novelist is different from being an economist; he did not have to explain where the subsidy came from when he went into raptures telling his readers how mass transport in Paris, New York, and other major cities in the world was being subsidized.

In fact, although government prints money, it does not produce wealth; the wealth of society (which includes the amount available to subsidize various goods and services) comes from nowhere but the hand and brain of the working population.

As the Chinese saying goes; Wool comes from sheep, after all. For Beijing's mass transport, the subsidy is actually created by the local people. It is taken from their output value before the distribution of their incomes and is being spent on everyone who takes the city bus.

Like it or not, this support of the public services is still necessary for the economic realities of life in China -- a typical developing economy.

It takes time and a lot of hard work for the nation's vast rural sector to grow into an industry of commercial production.

Only when that happens can society as a whole begin to talk about the idea of "high income and high consumption" — suggesting that either people can afford more expensive bus tickets or bus companies can be more generously subsidized.

The process leading towards this end has just begun: The process of reform. While people should not be blamed for their occasional complaints, they should nevertheless be told that the reform can bring them tangible and long-term benefits.

In the same way, it is understandable when foreigners staying in China, experiencing the same process of reform, may complain sometimes as well.

For instance, they pay 150 yuan to fly from Beijing to Shanghai while the Chinese next to them pay only 90 yuan.

Unfair?

But if they care to ask how much their Chinese companions earn per month and compare the sum with Western salaries, they may feel an even greater sense of unfairness -- for the Chinese who make an average of about 100 yuan (about \$30) per month.

College graduates may take only 60 yuan and their monthly contribution to society may be worth far in excess of this. They may have just helped design a new electronic system worth thousands of dollars, or have tipped off the policy markers to avoid a costly planning mistake. Their contribution to society is not fully rewarded in the form of money.

Naturally, their share of public wealth is not truly tied to money. They eat State-subsidized food, live in State-subsidized houses, enjoy free medical care, and their children get free education. And, when they fly, they get charged the rate they can afford.

There are some foreigners who complain that they are not being treated equally with the Chinese in terms of money. Their arguments have some justification. Different airfares are just the tip of the iceberg, followed by an almost endless list of other things: Chinese may pay 10 yuan to get a nice restaurant dinner while they may probably have to pay 20; Chinese may pay half of the foreigners' rate for a hotel room.

Charging visitors higher prices is by no means a Chinese tradition. Nor do the Chinese take foreigners, especially Westerners, to be all capitalists. (This, of course, does not include some reprehensible street vendors and sales clerks, some of whom have indeed tried to "rip off" foreigners.)

Foreigners do not have to agree with the Chinese economic structure, but they may grumble less when they understand it a little better.

This seems especially important for representatives of foreign companies. They often protest: "We are asked to pay our Chinese employees a couple of thousand yuan a month. But we know they get only a small percentage of that. Why can't our employees get what we pay them, or we pay what they get?"

But should Chinese allow people working for these firms to take 20 times as much as those working for Chinese companies?

Should there be a whole different price system so that those working for foreign companies do not have access to state-subsidized food, housing, education, medical care, and so on?

One way to solve all these small but complicated issues seems to be: The government should specify where foreigners should be charged more and where they should be charged the same.

SHIJIE ZHISHI VIEWS COMPOSITION OF 'WORKING CLASS'

HK190904 Beijing SHIJIE ZHISHI in Chinese No 9, 1 May 86 pp 4-5

[**"Special Commentary"** by Pan Peixin: "International Controversies Over the Question of the Working Class" -- Capitalized passages published in boldface]

[Text] May day this year marks the centennial of International Labor Day. During the last 100 years, especially since World War II, tremendous changes have taken place in the state of the international working class. In the capitalist countries, many new phenomena have also emerged in the state of the working class. Thus, theoretical and academic circles in many countries have put forward various kinds of new ideas on questions such as who belongs to the working class and how to define the class attributes of wage mental laborers and wage laborers in the service trades.

CHARACTERISTICS OF THE CHANGES IN THE CONTINGENT OF WAGE LABORERS

Owing to great developments in the new scientific and technological revolution since World War II and the development of national monopoly capitalism, great changes have taken place in the class composition in developed capitalist countries, especially in the contingent of the broad masses of wage laborers. They bear the following characteristics: 1) The number of wage laborers has sharply increased. These laborers now form the overwhelming majority of the people who are able to support themselves with independent income though they were the minority in the past. The number of people belonging to the working classes as well as their proportion in the class composition of the society has also increased. 2) The number of "white-collar" workers who are not engaged in physical labor has increased by a big margin, greater than that of "blue-collar" workers who are engaged in physical labor. In the entire capitalist society, a contingent of wage mental laborers has emerged. 3) The number of people engaging in service trades has rapidly increased, and is greater than that of people engaging in substantial production.

WHO CAN BE DETERMINED AS MEMBERS OF THE WORKING CLASS

Due to the above-mentioned great changes, there have appeared some different views abroad on the question of how to determine the range of the working class in a modern capitalist society, or, how to correctly define the concept of the working class.

1. Some people hold that only wage laborers who directly create surplus value (referring to the industrial workers) can be regarded as members of the working class. This is based on Marx remarks that "in economics, the proletariat can only be interpreted as the wage laborers who produce and multiply 'capital.'" This is a narrow definition.

The people who oppose this view hold that this definition rules out the possibility of proletarianizing a part of wage mental laborers and excludes all wage mental laborers (as well as wage laborers in the service trades) outside the working class. Thus, the number of the working class will inevitably drop with each passing day. Even some Western scholars who hold this view have made a prophecy that the influence of the working class is approaching its "end" and will be unable to play the leadership role. However, some communist parties in capitalist countries are not rigidly adhering to this narrow definition. They hold that the working class concept in the contemporary age should include not only manual laborers who create the surplus value, but also the laborers from other social strata (such as the laborers engaging in education, public health, social services, and other undertakings, and those engaging in the civil affairs and local government work), because, like workers engaging in manual labor, they are also using the means of production to indirectly serve capitalist commodity production and the creation of profits.

2. Some people hold that all wage laborers (including all wage mental laborers) should be determined as members of the working class, because none of them possess the means of production and have to sell their labor and be exploited. This is a broad definition. But some other people point out that this definition has enlarged the concept of the working class too much, because the working class is not the same thing as the wage workers. Various social classes and wage workers of various social groups are playing different roles at their different positions.

3. Some people hold that working class refers to wage laborers who are doing specific jobs in society labor organizations under the supervision of other people. They obey the orders of the capitalists and their agents and are in a powerless and subordinate position. Those wage laborers who have the right to supervise others and take part in policy decisions in these labor organizations do not belong to the working class.

THE CLASS ATTRIBUTE OF THE WAGE MENTAL LABORERS

In developed capitalist countries, most mental laborers are wage mental laborers. For example, in 1971, specialists employed in the United States made up 91.8 percent of the total number of intellectuals in this country. In the 25 years from 1947 to 1972, owing to the new technical revolution, nearly 1,100 new professions have appeared in the United States. Most employees were university or college graduates, and technical workers were mainly engaged in complicated mental labor. Should these new wage laborers be included in the working class?

On this question, there are three different views: 1) Some people hold that intellectuals who are employed as wage mental laborers should not be determined as members of the working class, because if they are, it would mean a negation of the antithesis between manual labor and mental labor under capitalist conditions, and cancellation of the task of eliminating the essential differences between the two in the course of building communism. It would also mean a negation of the alliance of the working class and the intellectuals who have integrated themselves with the working people, and cancellation of the leadership of the working class. But those who do not agree with this viewpoint hold that in determining the class status of intellectuals, it is necessary to proceed from analyzing their objective social and economic status, and that an alliance can also be realized within a certain class, and among various contingents of the working class, which is different in the degree of maturity.

2) Some people hold that although the intellectuals can be divided into several different groups due to their different social positions, most of them belong to the working class, because they do not possess the means of production or create surplus value, and they are exploited by their employers. A slightly different view hold that only those intellectuals of the lower strata can be regarded as members of the working class. 3) Some people hold that most intellectuals (including those who are employed as wage mental laborers) belong to the intermediate stratum of the capitalist society. Only a small number of them can be determined as members of the working class, while a minority of them may belong to the bourgeoisie.

SEVERAL KINDS OF NEW CLASS THEORIES

Some new class theories have also appeared, which have something to do with the concept of the working class. Of these new theories, the following three have greatest influence:

1. The theory of "intermediate class." This theory holds that the increase of the "intermediate class" was an important result of Western social development in the first half of this century, which embraced "almost the entire Western world." People holding this viewpoint said with certainty that a proletarian society will be realized in the capitalist countries through the rapid expansion of the intermediate class by swallowing up the lower-strata classes rather than through the proletarian dictatorship. Toffler, the famous U.S. futurist, held that in "third wave" civilization, there does not exist the social group of classes as advocated by Marxism. There has appeared a new "middle" class, which includes the workers, intellectuals, and technicians who have received higher education. Some people even said that the prophecy of Marxism on the future of the capitalist system will fail in the end, because under the condition of private ownership, industrialization itself will not make poverty increase, but will expand the intermediate class contingent and enable more and more people to become better off like the petty bourgeoisie. According to this viewpoint an equal sign is placed between the working class and pure manual laborers, the range of the working class is limited to refer to wage manual laborers only, and all the wage mental laborers are considered as the "intermediate class." The purpose is just to prove that the Marxist "thesis on polarization is doomed to failure." As a matter of fact, this is by no means a new theory. As early as the end of the 19th century and the beginning of the 20th century, this theory was already advocated by Bernstein and others.

2. The theory of a "new petty bourgeoisie." According to this theory, the wage workers of most service trades, engineers, technicians, scientific workers, middle-and lower-level administrative staff in factories, mines, and enterprises, and ordinary working personnel in government organizations at various levels are all regarded as the "new petty bourgeoisie." In economic status, there are some differences between the "new petty bourgeoisie" and the "traditional petty bourgeoisie" (small businessman, pedlars, and handicraftsmen): They have nothing but their own labor force and have to become wage laborers who "live on their wages." The similarity between them is that they belong to neither the proletariat nor the bourgeoisie. Although both the working class and the "new petty bourgeoisie" do not possess the means of production and are exploited wage laborers, judging from their specific situation of being exploited, the former is directly "producing surplus value" for the capitalists, but the latter is just engaging in nonproductive labor.

However, the people who oppose this viewpoint hold that intellectuals do not form an independent class. If there really is a "new petty bourgeoisie," we will have to admit that the differences between mental labor and manual labor should be taken as the demarcation line in determining class status. Thus, the range of the working class, the most advanced revolutionary class in modern society, will inevitably be narrowed. Therefore, the theory of a "new petty bourgeoisie" is actually one of "non-proletarianization" of the working class and, in essence, a variety of the theory of expanding the range of the "intermediate class."

The theory of a "new working class." According to this theory, all wage mental workers are included in the working class and are called the "new working class." This is because modern capitalism is now at the stage of taking scientific and technological knowledge as the decisive "productive forces," and because a "new working class" will certainly replace the old working class and become a leading force in promoting social development. Those who do not agree with this argument, point out that this actually places specialized technical and administrative personnel in an important position in the changing modern capitalist society and takes the intellectuals as a new leading class and an independent class as well. As a matter of fact, the intellectuals as a stratum of capitalist society comprises intellectuals of different classes. As a social group, they are complex in composition. They do not represent a certain type of production relations, nor do they have the common interests of a class. The theory of a "new working class" in fact dishes up the theory of an "intermediate class" in a new form.

The controversy over the question of the working class is in no account only about the concept of the working class. It constitutes one of the piercing questions in the contemporary ideological struggle, and bears an important bearing on whether the Marxist theory related to the proletarian revolution still works or not in the world of today, and on whether the great historical mission of the working class will be achieved or not. We must pay adequate attention to the problem and study it conscientiously.

JINGJI RIBAO COMMENTATOR VIEWS 'QUADRUPPLICATION'

HK220243 Beijing JINGJI RIBAO in Chinese 14 Jun 86 p 1

[Commentator's article: "'Quadruplication' Is a Concept of Quality"]

[Text] The question of quality has a bearing not only on the life of an enterprise but also on whether or not the national economy can develop smoothly and whether or not the objectives of the four modernizations can be attained. Therefore, it is necessary for us to further deepen our understanding of this question.

We must be clear about this idea, that is, the socialist modernization program calls not only for quantity but also places greater stress on quality. The same is true of "quadruplication." Is "quadruplication" a "muddy radish" or "a radish washed clean of mud"? A "muddy" and shoddy "quadruplication" is not only of no practical significance but will also cause serious consequences. The 12th National Congress of the CPC has defined that the general objective of our country's economic construction by the end of this century is to quadruple the nation's gross output value of industrial and agricultural production under the premise of constantly improving economic results.

Stressed as a premise here, economic results call for, among other things, the requirement of quality. Therefore, "quadruplication" is a concept of quality as well as of quantity. It is essential to always stress achieving a big increase in output under the premise of improving quality. However, some leading departments and production enterprises often forget the lessons of history; they one-sidedly pursue output and neglect quality and benefits to society, with the result that some brand products fail to live up to their name and their quality shows a marked decline; and there is also a marked decline in the quality of work and service in certain economic departments and enterprises. Consumers and customers are annoyed by this. The constantly growing incidence of these phenomena merits our vigilance.

As we all know, the basic purpose of socialist production is to continuously meet the people's ever growing needs in our material and cultural lives. To quadruple the nation's gross output value of industrial and agricultural production by the turn of this century is precisely in line with this basic purpose. With the gradually improved living standards of the urban and rural population, consumers and customers are bound to set stricter and stricter demands on the quality of products as well as on service. Only when they discard the old concept of "daughters of an emperor have no worry about marriage," firmly foster awareness of quality, and provide the market with marketable, high-quality products and first-rate service can enterprises meet social demands and establish themselves in an unassailable position in production and operations. They foreign exchange needed by the state in opening up to the outside world and importing advanced foreign technology and equipment to speed up the process of the four modernizations program should be earned mainly by expanding the country's exports. Whether or not more products can be exported and whether or not our products can survive the acute competition in international markets depend chiefly on their quality. With quality stressed, our products will be able to meet challenges and win victory in world markets. From this we can see that the question of quality is of vital importance to the development of the country's foreign trade.

China is practicing a planned commodity economy. A commodity has both value and use value. If the quality of a product is neglected, it will have less use value and cannot be sold or if used, it will soon reveal itself to be rubbish. This being the case, commodity production will hardly develop and the material and living labor used to produce the product will be wasted. Under these circumstances, the more the enterprises concentrate on output value, the greater the waste and losses they will bring to society. That recently, some fake and inferior commodities did serious harm to consumers and customers and even caused deaths is a case in point. Therefore, although the output and output value of an enterprise can reflect the results of its production under ordinary circumstances, they cannot accurately reflect its real economic results and the social benefit brought about by its products. This is because when the practical use value of a product declines and its production consumption and costs increase, the increase in output value can still be expressed by the product in the form of constant price. This false increase conceals the losses and waste suffered in reality. This is not helpful but harmful and therefore, undesirable. Quadruplication of real value, without "padding" or "extraneous elements", can only be attained on the basis of bringing about an all-round improvement in the quality of products, construction, transport, and services, and through doubling and redoubling output by raising labor productivity.

The great goal of quadrupling the nation's gross output value of industrial and agricultural production by the end of this century, a goal that we are aiming at, means precisely this kind of "quadruplication" with ensured quality and quantity, without any cutting back. We hope that our leading economic departments at various levels and the vast numbers of enterprise cadres, staff members, and workers will firmly keep this in mind.

Poor quality and high consumption are two weak points critical to our country's industrial production. Similar cases can also be found in the other economic sectors, such as agriculture and service trades. If the two problems are not solved, this will pose a serious threat to the attainment of the goal of "quadruplication" and will bring about no end of trouble in the future to our long-term economic development.

Therefore, we must emphasize quality to the high plane of strategy, resolutely overcome the backward concept that concentrates on output value, enhance our awareness of quality, firmly foster the idea of quality going first, and during the Seventh 5-Year Plan period, through comprehensively improving the quality of enterprises by doing a good job in management and performance upgrading, we must successfully carry out the formidable tasks of improving quality, reducing consumption, raising economic results, and gathering more momentum for further economic development. In this way we can satisfactorily achieve the vast goal of "quadruplication" and create sound conditions for the healthy and steady development of the national economy in the several decades ahead.

SONG JIAN ON GROWTH OF SCIENCE, TECHNOLOGY

New Law To Protect Scientists

OW221030 Beijing XINHUA in English 0957 GMT 25 Jun 86

[Text] Beijing, June 25 (XINHUA) -- A member of the State Council, China's highest governing body, said today specialists were drafting a law to protect academic activities of scientific and technological societies.

Song Jian, who is also minister in charge of the State Science and Technology Commission, said the law was designed to boost scientific and technological research. Those involved in scientific research are "the hope of China's four modernizations" -- science, agriculture, industry and defense, he said.

Speaking at the Third National Congress of the Chinese Association for Science and Technology, Song said scientists are participating in developing the proposed law, which would have to be passed by the Standing Committee of the National People's Congress, China's parliament, before it could go into effect.

Government departments which depend on scientific research should support relevant academic societies, he said, "but the most important thing is to protect them with a law."

Song said the law should give official status to scholarly societies and define their role as well as their relationship to the Communist Party, the government and state-owned, collective and individual enterprises.

Such a law would protect these organizations against outside interference and guarantee that their work could proceed along a normal track, he said.

At present, 138 national societies and other organizations with a membership of 1.8 million are affiliated with the science and technology association. In addition, the 1.8 million members are in contact with another five million scientists and technicians, according to the state councillor.

Praises Science Society

OW251714 Beijing XINHUA in English 1452 GMT 25 Jun 86

[Text] Beijing, June 25 (XINHUA) -- Capable Chinese scientists and specialists will be organized to strive for the lead in some scientific fields while following closely the tracks of the most up-to-date scientific and technical results in the world, a senior Chinese official said here today.

Song Jian, state councillor and minister in charge of the State Science and Technology Commission, said at the Third National Congress of the Chinese Association for Science and Technology that a great nation like China should have a number of outstanding scientists in the forefront of world science and technology.

They should absorb and use the most up-to-date thinking on science to arm the Chinese intellectual circles and the Chinese people, he added. He hoped Chinese scientists would make their contributions to the cause of the science for the mankind, and serve China in vitalizing her economy.

It is necessary to increase the scientific and technical exchanges with other countries, he said. The Chinese Association for Science and Technology and its branches have close relations with the international scientific and technical circles and should play a great role in following the new trends of world developments in science and technology.

In the past 30 years and more, he said, the association has created a fine climate for the scientific and technical workers to grow to maturity, and provided opportunities of free discussions, mutual study and close cooperation for their scientific research work.

Song said the association was the first to open the door to the world for Chinese scientific and technical workers. With its help, many young and middle-aged scientists have become prominent worldwide, and scientific and technical circles as a whole are marked by unity, friendship and cooperation.

"We should face the future and take it as a strategic task to admit more young scientific and technical workers to the association," he added.

Urge Science in Rural Areas

OW181052 Beijing XINHUA in English 1034 GMT 18 Jun 86

[Text] Beijing, June 18 (XINHUA) -- A leading Chinese scientist and high-ranking official has urged a break-up of the concentration of scientific expertise in urban areas, the GUANGMING DAILY reported today.

The paper quoted Song Jian, who is a space expert and minister in charge of the State Science and Technology Commission, as saying development of China's rural areas, where 800 million people live, depends on wider diffusion of scientific knowledge and its practical applications.

To solve the problem, Song recommended the commission's "sparking plan," aimed at using scientific developments in urban areas to promote modernization of the rural economy. The plan covers 24 fields including farming on mountainous terrain, aquatic production, animal raising and food processing.

Most of China's 15 million scientists, engineers and other intellectual workers are concentrated in universities, colleges, research institutes and industrial enterprises in cities.

"Lack of intellectual workers in the countryside has become a barrier to rural economic development," Song said.

Developed countries, he said, are stressing new, sophisticated technologies appropriate to their industrial and agricultural systems. "In China, we should generate more sophisticated technology for already developed sectors and in the countryside apply scientific knowledge in ways that increase production and serve the practical needs of the people," he said.

According to the paper, China's 1985 industrial output value totalled 875.9 billion yuan, or 4,400 yuan per capita in urban areas. But the year's agricultural output value, including rural industries, while reaching 450 billion yuan, was only 560 yuan per capita among rural residents. The low agricultural productivity pulled the national per capita output value down to 1,300 yuan.

At the same time, ten million of people in mountainous areas, remote villages and areas inhabited by minority nationalities have a per-capita annual income of less than 150 yuan and cannot support themselves, Song said. "This problem will be aggravated as the population continues to grow."

Despite their comparative economic strength, the "urban areas cannot make the rest of China prosperous," song said. "Even if the productivity of the industrial sector were to jump ten times, the national average would only rise twice."

For that reason, he said, enhancing agricultural productivity is a "strategic task."

HAO JIANXIU CALLS FOR NEW EXPORT STRATEGY

OW221928 Beijing XINHUA Domestic Service in Chinese 1420 GMT 21 Jun 86

[Text] Wuhan, 21 Jun (XINHUA) -- Hao Jianxiu, member of the Secretariat of the CPC Central Committee, inspected some 20 factories and enterprises in Hubei's Wuhan City, Shaxi City, and Jingzhou Prefecture 6-20 June. She stressed that the key to opening up new vistas for earning foreign exchange through export is to develop new items with high competitiveness.

From 6 to 8 June, Hao Jianxiu visited eight enterprises in Wuhan City, including a woolen mill, a printing and dyeing mill, the city wholesale market of textile industry, the city industrial art studio, and others. After seeing printed bed covers, embroidered sheets, bali yarn, children's pleated skirts, and other quality brandname products, she noted that these products were very competitive on both the domestic and foreign markets.

She suggested that it was necessary to make good use of Hubei's abundant resources of cotton and bast fibers and to change the export mix from mainly exporting raw and primary products to mainly exporting fully processed and refined end products; only thus can Hubei's resources of cotton and bast fibers be fully exploited.

Hao Jianxiu inspected the vast Jianghan Plain, homeland of the "Red Guard of Honghu." Last year, the amount of purchase of products for export in each of the 11 countries in this area exceeded 10 million yuan; Miyang County even surpassed the 100 million yuan mark. Hao Jianxiu maintained that prefectures and counties could make significant contributions to earning foreign exchange through exports, adding that the work in this regard should be done simultaneously in both urban and rural areas.

During her inspection, Hao Jianxiu discovered that a lot of goods for export were manufactured from the old equipment of the 50's and 60's. Hao Jianxiu praised the cadres, workers, and staff of these enterprises for their great efforts to earn foreign exchange. She held that the reasons why these old enterprises always remain vigorous is the good quality of their workers and their sound management down to the basic level. They would do a lot better if they carried out technological transformation.

LEADERS ATTEND SHANGHAI ORCHESTRA PERFORMANCE

OW191426 Beijing XINHUA in English 1401 GMT 19 Jun 86

[Text] Beijing, June 19 (XINHUA) -- The Shanghai Symphony orchestra has been so popular on its present visit to Beijing that it has had to open its rehearsals to the public.

The orchestra has been showered with praise by Beijing audiences since it gave its first concert here on June 12.

Chinese leaders Wan Li, Chen Pixian and Wang Zhen attended the first performance. Wan praised the orchestra for its contribution to the development of symphonic music in China.

The conductor and players answered 11 curtain calls after their first two performances.

All the tickets for the 10 scheduled concerts were sold out 10 days before the orchestra performed. This did not meet demand, so the players agreed to let audiences into their rehearsals.

The orchestra, formed 107 years ago and once known as "the first orchestra in the Far East", plays works by both foreign and Chinese composers, such as Brahms, Tschaikovsky, Beethoven and Zhu Jianer.

Six Chinese vocal and instrumental soloists, who have all won prizes at international contests, are taking part in the concerts.

Over the past 30 years, the Shanghai Symphony Orchestra has given more than 2,000 concerts.

CHEN GUANGYI ADDRESSES FUJIAN PROPAGANDA WORK CONFERENCE

OW231150 Fuzhou FUJIAN RIBAO in Chinese 11 Jun 86 p 1

[Excerpts] On 10 June, Chen Guangyi, secretary of the Fujian Provincial CPC Committee, made a speech at the provincial conference on propaganda work. He emphatically pointed out: In doing propaganda work, we must firmly establish the guiding ideology of making propaganda work serve the "two civilizations." We must carry out our propaganda work in close connection with the actual situation in the province and in a way which conforms with Fujian's own characteristics. We must show a clear-cut party spirit and develop greater foresight and creativity. We must strengthen the party's leadership and mobilize the whole party to create a new situation.

Chen Guangyi said: Propaganda work must be made to serve the party's general tasks and targets as well as the two civilizations -- material and spiritual civilization. In serving material civilization, right now, we must pay attention to the following three points:

1. We must serve the modernization program.
2. We must serve the policy of promoting overall reform.
3. We must serve the policy of opening the country to the outside world. Propaganda workers must continue to give widespread publicity to the significance of implementing the policy of opening the country to the outside world and to the tremendous achievements we have scored after putting the open-door policy into practice. At the same time, we must correctly deal with some of the negative phenomena which have appeared in the course of opening the country to the outside world. In serving spiritual civilization, we must strive to raise the scientific, cultural, ideological, and moral standards of the entire Chinese nation and turn all people in the country into people with lofty ideals, moral integrity, better education, and a strong sense of discipline.

Comrade Chen Guangyi fully reaffirmed the achievements attained in the field of propaganda in recent years, and praised the hard work carried out by the masses of cadres in doing propaganda and political work. In order to make our propaganda work keep pace with the new situation, as it develops in the course of making reforms, opening the country to the outside world, and invigorating our domestic economy, he emphatically pointed out: In doing propaganda work, we must strengthen party spirit and develop greater foresight and creativity. To strengthen party spirit means that in doing propaganda work we must adhere to the basic Marxist principle of seeking truth from facts and identify ourselves with the party Central Committee politically and ideologically. To develop greater creativity means that under the guidance of the party's major policies and principle, we must give full play to our subjective initiative and carry out our work creatively. In order to make our propaganda work suit the new situation we face today, we must boldly discard outmoded ideas, concepts, and habits, and vigorously promote the spirit of daring to forge ahead and create the new.

In conclusion, Comrade Chen Guangyi called on the party committees at all levels to resolutely strengthen their leadership over propaganda work. He said: Efforts must be made to mobilize the whole party to carry out ideological and political work. At the same time, we must expand the contingent of propaganda workers, give them encouragement, and sincerely support and help them in carrying out their work.

The 7-day provincial conference on propaganda work was held from 4 to 10 June. Attending the conference were leading comrades of propaganda departments directly under the provincial authority, directors of propaganda departments under the various prefectural (city) and county party committees, leading comrades of the political department of the provincial economic commission, responsible comrades in charge of ideological and political work under the various prefectural and city economic and financial commissions, responsible comrades of the various provincial and prefectural (city) trade union, youth, and women federations as well as directors of propaganda departments under the party committees of some universities.

During the conference, He Shaochuan, Standing Committee member and Propaganda Department director of the provincial CPC Committee, relayed the guidelines laid down at various national meetings concerned. Wang Zhongxin, deputy director of the Propaganda Department under the provincial CPC Committee, and Huang Jie, vice chairman of the provincial economic commission and director of the political department under the provincial economic commission, made speeches on separate occasions on how to strengthen ideological and political work in rural areas and in various enterprises. The conference also seriously studied issues on how to strengthen ideological and political work in rural areas and in various enterprises.

FUJIAN ENTERPRISES ATTRACT FOREIGN INVESTMENT

OW241052 Beijing XINHUA in English 1038 GMT 24 Jun 86

[Text] Beijing, June 24 (XINHUA) -- The 133 rural enterprises in Fujian Province in east China have attracted more than 74 million yuan (about 23 million U.S. dollars) in foreign investment, the overseas edition of the "PEOPLE'S DAILY" reported today. More than 60 percent of the enterprises export at least half of their products to other countries and regions, the paper said, noting that its statistics were based on counts made at the end of May. The 133 enterprises, in part collectively owned by their workers, manufactured more than 1,000 products including garments, processed food, toys, handicrafts, electronics and machinery. In 1984, 31 of Fujian's rural enterprises had foreign investors. Another 96 jointly-owned firms were set up in 1985.

JIANGXI RESETTLES DEMOBILIZED ARMY CADRES

OW231350 Nanchang Jiangxi Provincial Service in Mandarin 1000 GMT 16 Jun 86

[Text] Jiangxi did a good job in promptly resettling demobilized Army cadres in 1985. After the quota for resettling demobilized Army cadres was set for the province last year, the provincial party committee and provincial people's government promptly studied and drew up a number of measures in view of the large number of demobilized cadres and the major changes in the reform of local enterprises. Generally speaking, demobilized Army cadres were placed in civilian jobs commensurate with their previous experience. Of the some 380 division and regimental-level demobilized cadres returning to Jiangxi, 10 percent were assigned jobs equivalent to their former rank, and 87 percent a half grade lower than their former rank. Of the over 1,000 battalion-level demobilized cadres, 95 percent were placed in jobs generally commensurate with their professional skills.

In resettling demobilized cadres, the provincial party committee and provincial people's government paid a great deal of attention to specialized technical personnel and intellectual cadres. As a result, some 400 specialized technical cadres have found a place to continue to display their talent.

As for demobilized Army men who had won military service honors, the provincial party committee and provincial people's government gave preferential treatment to those who had won first or second-class merit citations in the Army, or had been awarded with a title of honor by a military region. Preferential treatment was also given to demobilized Army men who had served in remote hardship posts in high mountain areas, islands, or frontier areas for a long time. Last year, 26 demobilized cadres with first or second class merit citations were placed in better jobs in accordance with relevant regulations. The province also resettled some 2,700 dependents of demobilized cadres last year, of whom 900 were given employment.

SHANGHAI CONTINUES GRASS-ROOTS PARTY RECTIFICATION

OW190509 Shanghai City Service in Mandarin 0000 GMT 18 Jun 86

[Text] At a municipal work conference on party rectification in rural areas held yesterday, Wu Bangguo, deputy secretary of the Shanghai Municipal CPC Committee, said: Party rectification in rural areas must promote reform and ensure that it invigorates the economy and is conducive to developing the exceedingly favorable situation in the countryside. The focus of party rectification should be the solution of conspicuous problems among party cadres. As for new situations and problems emerging in the course of reform, they should be treated carefully according to policy. We should not simply copy the methods used in party rectification of organs and apply them to grass-roots party rectification, disregarding specific conditions.

Party rectification in town and township organs in Shanghai has basically been completed. The rectification of some 8,600 grass-roots party branches in the rural areas will systematically begin in the second half of this year.

SHANGHAI GARRISON BEGINS LOW-LEVEL RECTIFICATION

OW221800 Shanghai City Service in Mandarin 0000 GMT 21 Jun 86

[Text] The Shanghai Garrison District held a party rectification work meeting on 20 June. Addressing the meeting, Commander Ba Zhongtan said: The district plans to start its all-out party rectification at the battalion and company level in early July. All grass-roots units will be involved in party rectification at this level. Therefore, successfully carrying it out is of fundamental importance to strengthening the revolutionization, regularization, and modernization of the Army, and is also required to ensure success in Army building at the grass-roots level.

SHANGHAI INITIATES JOINT VENTURE EMPLOYEES' PENSIONS

OW190645 Beijing XINHUA in English 0549 GMT 19 Jun 86

[Text] Shanghai, June 19 (XINHUA) -- All Chinese working for Sino-foreign joint-venture enterprises in Shanghai will enjoy old-age pensions after retirement, according to a new temporary regulation.

The regulation, issued by the municipal government of Shanghai, provides that all the Sino-foreign joint-venture enterprises in the largest industrial city of China should begin to take out old-age insurance for their Chinese employees once they get approval to open their business.

It stipulates that the enterprises should pay every month a sum equivalent to 30 percent of the total amount of their Chinese employees' monthly salaries to the Shanghai branch of the People's Insurance Company of China for the old-age pension fund. The insurance will cover retired employees' old-age pensions, medical bills, funeral expenses, and compensation for the deceased employees' widows and orphans.

The municipal authorities said the regulation is also applicable to Sino-foreign cooperative enterprises and enterprises with sole overseas funds.

The joint-venture and cooperative enterprises, because of their limited contract business period and other factors, can not guarantee the livelihood of their retired Chinese employees as Chinese enterprises do. The old-age pension scheme is aimed at tackling this problem, local officials said.

They noted that there are more than 10,000 Chinese currently working for Shanghai's 170-odd joint-venture and cooperative enterprises.

The regulation is the first of five scheduled to be published by the Shanghai government this year for enterprises introducing overseas funds, they said. The officials added that the city has already issued 37 regulations since 1979 concerning the introduction of overseas funds.

RURAL ZHEJIANG BEGINS PARTY RECTIFICATION

OW221913 Hangzhou ZHEJIANG RIBAO in Chinese 13 Jun 86 p 1

[Excerpts] A reporter of this newspaper has learned from the Party Rectification Office of the provincial party committee that the Zhejiang Provincial CPC Committee recently worked out more specific arrangements for carrying out party rectification in units at the village level in rural Zhejiang in accordance with the guidelines of a seminar convened by the Central Committee for Guiding Party Rectification on the work of party rectification in six coastal provinces and municipalities.

Under preparation since June, the work of party rectification in units at the village level in rural Zhejiang will begin successively in mid-August. More than 50,000 party branches and 710,000 party members will take part in this party rectification.

As the guiding ideology for carrying out party rectification in units at the village level in rural areas, the provincial party committee has called for giving full scope to the "twin roles" of ensuring reform and economic development and successfully fulfilling the Seventh 5-Year Plan, with emphasis on persistent efforts in conducting positive education aimed at raising the ideological and political consciousness of the broad masses of party members. In order to conscientiously implement this guiding ideology, it is necessary to gain a clear understanding of the following four points both ideologically and realistically:

1. At present our central task is socialist modernization based on the vigorous development of social productivity. This is the general guiding ideology for rural party rectification that calls for compliance.

2. It is essential to persist in carrying out reform and to promote further development of reform.

In conducting party rectification, rural party organizations and members should be made to resolutely implement the party's rural policies, to further develop and refine the management system marked by a dual combination of overall and shared management, to take the lead in establishing and perfecting a system to facilitate rural commodity production, and to lead the masses onto the road of achieving prosperity through hard work and of bringing about common affluence.

3. It is imperative to recognize Zhejiang's characteristics of being close to the coast and economically quite advanced; to give full protection and support to village and town enterprises, including the development of household and joint household industries; and to support and protect those peasant-entrepreneurs who are bold in carrying out reform and blazing new trails and good at running their businesses.

4. It is necessary to provide different types of guidance in accordance with the economic development of the various localities.

The provincial party committee noted: The pace and approach of carrying out party rectification should proceed from the actual situation in rural areas. In laying the groundwork for carrying out party rectification in units at the village level, party committees at the higher levels should take a thorough, rather than a hasty, approach. Arrangements for the various stages of party rectification should be compact, not loose, in structure. Provincial, city, prefectoral, county, district, and village organizations should mobilize substantive forces to help and guide units at the village level in their party rectification work to ensure the quality of their tasks.

ZHEJIANG EXPORT COMMODITIES FAIR OPENS 25 JUN

OW251032 Beijing XINHUA in English 1004 GMT 25 Jun 86

[Text] Hangzhou, June 25 (XINHUA) -- The Zhejiang provincial export commodities fair opened today in Hangzhou with over 300 representatives from Australia, France, Italy, Japan, Singapore, the Philippines, the United States and Hong Kong attending the opening ceremony. The ten-day fair will exhibit 1,440 kinds of commodities including silk, textiles, food and vegetable oil, aquatic products, livestock side-products, light industrial products, machines, chemicals, medicines and medical apparatus, minerals and metals. Zhejiang commodities have been exported to 120 foreign countries and regions. Its 1985 exports totalled 940 million U.S. dollars, nearly four times the 1980 figure.

GUANGZHOU ARTICLE REFLECTS ON 'DOUBLE HUNDRED' POLICY

HK250223 Guangzhou YANGCHENG WANBAO in Chinese 19 Jun 86 p 2

[Article by Shu Zhan: "Both a Principle and a Law"]

[Text] It has been almost 10 years since Jiang Qing was overthrown. Can everyone remember precisely what he was doing on the day that wonderful news was announced and rapidly spread everywhere? It seemed that everyone was simultaneously celebrating China's second liberation, and the dark days had finally come to an end.

Everyone was acclaiming, forecasting, and expecting a spring time for science and for literature and art. In the event, the "double hundred" principle indeed returned to us. Some people innocently believed that "leftist" ideology had then died a natural death or, in other words, had taken a rest from its stage in history.

No, it is not disposed to be lonesome, and sometimes it returns to the stage in disguise.

If we are not forgetful, we should remember that after the "gang of four" was smashed, for a time stress was still laid on grasping the key link and criticizing Deng, and the "gang of four" was described as ultrarightist instead of ultraleftist; there was a total ban on probing into everything the leader had written and said.

The discussion on practice as the criterion of truth was censured and boycotted by many people, despite the fact that this discussion was very popular with the party, the Army, and the people. The 3d Plenary Session of the 11th CPC Central Committee was of equal significance with the Cunyi Conference, but it was reproached by certain people. Do you recall, at that time there was a certain so-called "theory of going to excess." It was held that emancipation of the mind, assigning production contracts to each household, implementing the policies, and bringing democracy into play had all been taken excessively.

Afterwards, the remuneration that intellectuals on the science and technology front received for sparetime labor was described as spiritual pollution, and the fruits of an individual's hard work were described as crimes and legal sanctions were taken against them. These and similar things happened.

Some people become extremely angry and resentful when they hear about the various expressions of "leftism," like Ah Q when he was accused of having favus on the head; it seems that, in their view, so long as nothing is said about it, the favus will disappear naturally.

"There is no need to settle old accounts." I agree, but should we forget the history of the past and the present, the things that happened yesterday, the tragic lessons that left us bruised and bloody? Should not those people who went to extremes in their irrational criticism of correct theories and viewpoints that had been accepted by the party and written into documents conduct a little self-criticism?

Innocent students (including myself) should also become more soberminded through reviewing the setbacks, frustrations, and difficulties in implementing the "double hundred" principle in theory, literature and art, and cultural works over the past 10 years.

There is no doubt that since the "double hundred" principle is a state cultural policy guideline, the leading departments in cultural work at all levels should create good conditions for its implementation, to ensure equality in contending and to provide a pleasant atmosphere for a hundred flowers to blossom. However, the "double hundred" is not only a policy guideline; it is also a law for the development of ideology, science, and culture. The various schools of thought during the period from pre-Qin times to the early years of the Han Dynasty, the renaissance and the industrial revolution in Europe, and the new wave of world science and technology in recent years prove in every case that the development of human civilization can only be advanced if there is academic equality and creative freedom. The moment "democracy" is strangled, there is no way for "science" to carry on.

It was long ago evident how much harm was done to scientific development by the dismissal of 98 of the 100 schools of thought after the anti-rightist drive in 1957, leaving only 2 behind -- dictatorship and existence under dictatorship. However, science still stubbornly forges ahead amid arduous difficulties; it does not shift according to whether or not the eight-character "double hundred" principle appears in the press.

People await happiness, the trees await the spring. There are also spring storms. It is not just mild breezes and gentle rain, some areas may have fierce storms with black clouds and even hailstones. However, spring cold toughens the plum blossom. Extreme "leftist" ideology has also toughened China's intellectuals. They are gradually able to distinguish its dazzling and stylish garments and see right through to its bone marrow. Mr "Left" sometimes holds things aloft against the "double hundred" principle, sometimes blocks it, and sometimes tramples on it, changing his methods in bewildering ways, with the simple gut feeling that the "double hundred" principle is equal to liberalization. This is because when the "double hundred" principle is practiced, dogmatism has to take a rest.

GUANGDONG PROVINCE BECOMES LEADING EXPORTER

0W230754 Beijing XINHUA in English 0550 GMT 23 Jun 86

[Text] Beijing, June 23 (XINHUA) -- Guangdong Province bordering on Hong Kong and Macao is China's largest exporter, overtaking Liaoning Province and Shanghai, the "INTERNATIONAL BUSINESS" reported today. The province exported 1.39 billion U.S. dollars worth of goods in the first five months of this year -- a 118.7 percent increase from the same 1985 period. The figure met 48.4 percent of Guangdong's annual target. Guangdong's exports topped the 300 million U.S. dollar mark for the first time last month, according to the biweekly paper.

Shenzhen, Shantou and Zhuhai in Guangdong are three of China's four special economic zones, where investors from Hong Kong, Macao and overseas enjoy preferential treatment. Moreover, the provincial capital of Guangzhou and Zhanjiang are among the 14 coastal cities with greater decision-making authority over foreign investment and trade. The Pearl River Delta, one of the most developed areas in China, is also open to foreign investment.

GUANGDONG'S ZHUJIANG ECONOMIC ZONE DEVELOPS

OW240842 Beijing XINHUA in English 0755 GMT 24 Jun 86

[Text] Beijing, June 24 (XINHUA) -- Five more towns near Zhongshan, Guangdong Province, have been named as satellite towns for the Zhujiang Delta Economic Development Zone, today's overseas edition of "PEOPLE'S DAILY" reported. This brings the total number of satellite towns named by provincial authorities to 64, the newspaper said. They enjoy priority in tax benefits and raising loans. Tariffs and taxes on imported raw materials, spare parts, packaging materials and vehicles for Sino-foreign joint ventures in these satellite towns can be exempted, as long as their products are for export. And joint ventures and foreign-funded enterprises involved in technical research, energy, transport and ports, which need a comparatively longer period to recover investment, enjoy preferential tax treatment.

The Bank of China and the China International Trust and Investment Corporation will grant loans to enterprises which are expected to earn hard currency.

Existing enterprises in the satellite towns also enjoy preferential tax treatment on imported equipment and raw materials for making export goods.

SHENZHEN IMPLEMENTS PREFERENTIAL INVESTMENT POLICY

OW240610 Beijing XINHUA in English 0157 GMT 24 Jun 86

[Text] Beijing, June 24 (XINHUA) -- The Shenzhen Special Economic Zone has worked out a series of preferential policies for banks with foreign capital in Shenzhen, according to the overseas edition of today's "PEOPLE'S DAILY". The preferential treatment will become effective beginning July 1 this year and last until the end of 1995. During the ten-year period, branches of foreign banks in Shenzhen will be exempt from the three-percent industrial and commercial consolidated tax. Foreign depositors and depositors in Hong Kong and Macao will be exempt from paying income taxes on the interest they receive from banks with foreign capital in the zone. Also exempt from income tax will be the interest on inter-bank loans provided by foreign banks or banks in Hong Kong and Macao for banks with foreign capital in Shenzhen, the paper said. Shenzhen now has 13 foreign bank branches and nine offices.

CPC SECRETARY QUERIED ON HAINAN DEVELOPMENT PROGRESS

HK231242 Beijing LIAOWANG in Chinese No 23, 9 Jun 86 pp 17, 18

[Article by Chen Yexuan: "Yao Wenxu, Secretary of the CPC Committee of the Hainan Administrative Region, on Correcting the Orientation of Hainan's Development"]

[Text] The motor vehicle reselling incident which happened on Hainan Island in 1984 shocked the whole country. This serious case brought disorder and losses to Hainan's economy, and a number of cadres involved were punished. It was a great setback in Hainan's development.

This island, once a shining pearl in the sea under the guidance of the policy of opening up to the outside world and enlivening the domestic economy, was covered with a shadow. Now more than 1 year has passed since then. What is the situation on this island? This is a question people are concerned about.

Recently this reporter paid a visit to Hainan. What was heard and seen can be summarized as follows: The course has been corrected, the cadres are in high spirits, and the treasure island in the South Sea is again full of life.

We interviewed Yao Wensu, secretary of the Hainan Administrative Regional CPC Committee, in an office with simple decor and out-dated equipment. Yao Wenxu spoke slowly, honestly, and at length.

At the very beginning he said: "We have committed serious mistakes in our work and are now correcting them with real action." He continued: The CPC Central Committee always requires us to proceed from the realities of our island and to use the island's resources to promote our development. During the period from 1983 to the first half of 1984, we did quite well in implementing this policy of the central authorities, and all undertakings were developing healthily. At that time, we put forward the slogan: Prepare in the first year, glide in the second year, and take off in the third year. However, in the summer of 1984, due to the vacillation in our guiding ideology, we became impatient and hoped that we could reap more profits from trade and establish some basic facilities as quickly as possible. As a result, as you already know, we committed serious mistakes, trying to reap profits by reselling motor vehicles. This has been a profound lesson for us.

He said: The CPC Central Committee and the State Council are showing great concern for Hainan's work. In winter last year and spring this year, many central leading comrades, including Hu Yaobang, Zhao Ziyang, Hu Qili, Tian Jiyun, and Gu Mu, came to Hainan one after another, to inspect and examine work and help Hainan learn from experiences and lessons and solve difficult problems. They encouraged us to brace ourselves and do our jobs well. While affirming Hainan's achievements in opening up and construction, they also pointed out the existing problems and orientation for its future development. All this greatly inspired the people of all nationalities in Hainan. Setbacks taught us a lesson. In the future we will strictly follow the party's policies and principles and do our jobs well in a down-to-earth manner.

We asked him to talk about something new, such as the new situation of Hainan's construction and development and new plans, rather than talking about the old accounts.

Yao Wenxu smiled. He said: In order to promote Hainan's development, we must use its superiority in natural resources and vigorously develop the planting and processing of tropical industrial crops and the breeding and processing of aquatic products, as well as tourism. This is a policy worked out with the help of the central leading comrades during their inspection of Hainan. This is nothing new, and is not news to us. In the future, in order to implement this policy and accelerate Hainan's construction and development, we must work hard to lay two solid foundations.

First, we must lay a solid foundation for agriculture. Over the past few years, we have paid attention to agriculture and have achieved rapid development in this field. However, there is still insufficient investment, scientific and technological guidance, and basic facilities for agriculture, and the overall plans are still imperfect. All these problems have to be solved conscientiously.

In China, the subtropical zone covers an area of more than 50,000 square kilometers, of which over 30,000 square kilometers are in Hainan. Tropical industrial crops are the main natural resources and the economic basis of Hainan Island. We must proceed from this reality and implement the policy of developing agriculture, forestry, animal husbandry, sideline production, and fishery in an all-round way, with the stress on developing tropical plants such as rubber and others.

Our initial target is that by 1990, the land for growing tropical plants and industrial crops will be expanded from the current 6.8 million mu to 8 million mu and each year will provide the state with 200,000 tons of dry rubber, 500,000 tons of sugar, 60 million coconuts, 4,000 tons of pepper, 4,000 tons of medical herbs, and 2,000 tons of dry coffee beans. We will also make use of the superiority of the island, which is surrounded by the sea, to develop the fishery and aquatic products industry, especially the breeding of prawns, grouper, clams, and oysters. We plan to gradually establish an industrial structure with the stress on processing the island's resources, while promoting the production of industrial crops and aquatic products.

Second, we must grasp well the construction of basic facilities with the stress on energy resources and communications. Hainan's basic facilities for communications, energy production, and telecommunications are backward. It is especially deficient in electricity. This is a great obstacle for Hainan's development and construction. Since 1983, the region has built 24 key projects, including 13 projects for communications, energy production, and telecommunications. Of these projects, the urban automatic telephone system of Haikou City, the Nandukou Bridge, the extension of the Haikou airport and sea port, the Xi-Ling-Ba [6007 1545 0360] railway, and the telecommunications circuit between Guangzhou and Haikou have already been completed and put into production.

At present, there are already air and sea navigation lines between Haikou and Hong Kong, sea routes between Sanya and Hong Kong, air routes between Sanya and Guangzhou, and air routes between Haikou and Singapore. However, they still cannot satisfy the needs of the current construction and development. We are now concentrating our efforts on some key projects, including the 200,000 kw thermal power station and the natural gas and hydropower stations in Haikou, the reconstruction of a first-grade highway on the eastern line, and the extension of the Haikou and Yangpu ports. Yao Wenxu said: We are preparing to establish a Hainan Aviation Corporation to conduct unified administration of civil aviation on this island. We will make full use of the existing airports to promote our island air service and then extend our service to the outside.

Yao Wenxu drew a picture for us of Hainan's magnificent economic construction. However, it needs large sums of investment. Where can we get the money? Yao Wenxu said that there are three ways: 1) rely on our own strength and take the road of self-reliance; 2) state investment in some key projects or state loans for them; 3) "introduce foreign investment and strengthen cooperation with the hinterland" and implement the policy of opening up to the outside world to promote our internal development, to absorb both internal and external funds and technology for Hainan's development.

Yao Wenxu said: We welcome enterprises from China's advanced areas, Hong Kong and Macao compatriots, Overseas Chinese, and foreign businessmen to Hainan to make investments or to cooperate with us in our development, and we will continue to give them preferential treatment.

This means that in the first and second profit-making years, the Chinese-foreign joint ventures and cooperative enterprises, as well as those independently run by foreign investors, will continue to be exempted from profit tax, and from the third year, this tax will be levied at a reduced rate of 15 percent. If, in the first 3 years, these enterprises have difficulty in paying consolidated industry and commerce tax, they can apply for reduction or exemption.

As to the share dividend, interest, rent, and charges for exclusive use of certain facilities, which are obtained by foreign firms that do not have an office in the Hainan Administrative Region, profit tax will be levied at a reduced rate of 10 percent. Profit tax will not be levied on the part of profit remitted abroad by the joint venture enterprises, and all construction materials, machinery and equipment, raw materials for production, seeds, and breeding stock which are necessary for projects using foreign investment will be duty free when they are imported. Construction materials and equipment for Chinese-foreign joint or cooperative tourist projects will also be duty free.

In conclusion, Yao Wenxu said: Since implementing the policy of opening up to the outside world, by the end of 1985, Hainan Island has signed 254 contracts with China's advanced areas on joint investment, with a total investment of 232 million yuan, and had signed 248 contracts with foreign firms, a total investment of \$335 million. The foreign funds actually used were more than \$37 million.

Over the past few years, great achievements have also been made in Hainan's industrial and agricultural production as well as in the construction of some basic facilities. The total industrial and agricultural output value has been increasing at an average annual rate of 13.8 percent. Last year, the total output value of this region almost doubled that of 1980.

Now we can say with full confidence that, provided we firmly implement the three main policies on developing the planting and processing of tropical plants, developing the breeding and processing of aquatic products, and developing tourism, and providing we continue to open up to the outside world and strengthen cooperation with the hinterland, Hainan's economy will surely be vigorously developed.

Yao Wenxu concluded: We hope that all people of noble aspirations both at home and abroad will strengthen cooperation and make joint efforts to build Hainan into a more beautiful and more prosperous island!

HUBEI STUDIES PARTY RECTIFICATION ARRANGEMENTS

HK240217 Wuhan Hubei Provincial Service in Mandarin 1000 GMT 23 Jun 86

[Excerpts] The provincial CPC Committee Standing Committee and the provincial party rectification guidance group held a meeting on 21 June to convey and implement the spirit of the forum on party rectification in six provinces and one autonomous region in south China to study and make arrangements for future work. The meeting demanded that all parts of Hubei set high standards and strict demands and achieve thorough success in district and township party rectification and in consolidating and developing the fruits of party rectification, to ensure and promote the healthy development of reforms and economic construction. Guan Guangfu, secretary of the provincial CPC Committee and head of the provincial party rectification guidance group, presided.

The meeting pointed out that under the guidance of the central principles and policies and with the common efforts of the party organizations at all levels, notable achievements have been scored in party rectification in districts and townships in the province. However, the development is uneven. The meeting therefore demanded that attention be paid to grasping the following tasks:

1. Make a success of district and township party rectification from beginning to end. Units where the standards were not high and the demand not strict, and in particular, units which did the work in a superficial way, must carry out a review. If problems are discovered, we must help them to make up for the missed lessons.
2. Get a good grasp of preparations for party rectification at village level. First it is necessary to investigate rural party organizations and party-member cadres to find out the situation, and to organize pilot projects. Experiences must be seriously summed up. We must educate all village-level party members.
3. Further promote the work of consolidating and developing the fruits of party rectification in units at and above-county level.
4. We must continue to do a good job in investigating and dealing with major and important cases and investigating people of three categories.

The meeting stressed: Rural party rectification is extremely important. It is a new starting point for party building in the new period and an important measure for governing the party with strictness. All rural party rectification must be focused on ensuring and promoting the development of reforms and help to further invigorate the rural economy, to mobilize the peasants' enthusiasm for production, and to stabilize and develop the excellent situation.

HUNAN LEADERS MEET NPC EDUCATION INSPECTION GROUP

HK210507 Changsha Hunan Provincial Service in Mandarin 2200 GMT 20 Jun 86

[Excerpts] On 20 June, Hunan party and government leaders exchanged views on the province's implementation of 9-year compulsory education with the members of the NPC group inspecting the implementation of the Law on Compulsory Education in the province. The 18-person inspection group arrived in Changsha on 19 May.

On the morning of 20 June, provincial party and government leaders Mao Zhiyong, Liu Zheng, Jiao Linyi, Wang Xiangtian, Shen Ruiping, Kong Anmin, and Liu Guoan and responsible comrades of departments concerned listened to the inspection group's report. The group held that the provincial CPC Committee and government and the party and government leaders at all levels have attached great importance to education in recent years. The group also gave its opinion on teachers, funds, support for poor areas, and strengthened leadership required for implementing the Law On Compulsory Education in Hunan.

In the course of exchange views, Mao Zhiyong, Liu Zheng, and Wang Xiangtian made speeches. They pointed out: We should further enhance the understanding of the party committees and government at all levels and the departments concerned regarding basic education, and solve really well the problems of teachers, funds, and so on, involved in introducing universal 9-year compulsory education. They said that the province will seriously study and solve the problems and suggestions raised by the inspection group. They also expressed the hope that the central departments concerned will give Hunan more support and help in education.

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WEN WEI PO REPORTS SHENZHEN LEADERSHIP RESHUFFLE

HK260540 Hong Kong WEN WEI PO in Chinese 21 Jun 86 p 1

["Special Dispatch" by reporter Kuang Yu: "Shenzhen Leadership Reshuffled"]

[Text] Shenzhen -- There will be a normal personnel reshuffle in the Shenzhen City CPC Committee and government this month. Five out of seven vice mayors or city CPC Committee secretaries and Standing Committee members will be relieved of their posts. They are Zhou Ding, deputy secretary of the city CPC Committee and vice major; Luo Changren, member of the city CPC Committee Standing Committee and vice mayor; Liu Bo, member of the Standing Committee of the city CPC Committee; and vice Majors Zhen Xipei and Wu Xiaolan.

Zhou Ding's new post will be chairman of the city People's Congress Standing Committee, and Luo Changren and Zhen Xipei will become vice chairman. Liu Bo will become secretary of the city Discipline Inspection Commission. Except in the case of Zhou Ding, who is being changed to another post for work requirements, the reshuffle is a normal affair undertaken due to old age.

Qin Wenjun [4440 2429 0193], director of the Guangdong Provincial Policy Research Office, will be appointed deputy secretary of the city CPC Committee. Zou Erkang, member of the Standing Committee of the city CPC Committee, will concurrently hold the post of vice mayor. Zhang Hongyi [1728 7703 5030], manager of the Shenzhen branch of the Bank of China, and Zhu Yuening [2612 1878 1337], deputy secretary general of the city government, will be appointed vice mayors.

The readjusted leadership groups of the city CPC Committee and government will be as follows: Li Hao, secretary of the city CPC Committee and mayor; Qin Wenjun, deputy secretary of the city CPC Committee; and vice mayors Zhou Xiwu, Zou Erkang, Li Guangzhen [2621 1639 6966], Li Chuanfang [2621 0278 5364], Zhang Hongyi, and Zhu Yuening. The readjusted leadership will have a lower average age.

PRC SPECIAL ECONOMIC ZONES 'NO LONGER SPECIAL'

HK260259 Hong Kong SOUTH CHINA MORNING POST in English 26 Jun 86 p 14

["Views on China" by Thomas Chan, researcher at Center of Asian Studies, University of Hong Kong; "Economic Zones Lose Their Special Status"]

[Text] The Shenzhen Special Economic Zone [SEZ] is no longer special.

It was reported early this year in the GANGAU JINGJI, a journal published by the Center of Hong Kong and Macao Studies of Guangzhou, that in over 40 policies promulgated by the central authorities since the second half of last year, Shenzhen was not given any special exemption.

The very nature of SEZ's is their special exemption from the jurisdiction of central economic policies. With this exemption done away with, or diminished, it will be difficult for Shenzhen and three others -- Zhuhai, Shantou and Xiamen -- to be true to their names as SEZ's of China.

What is at stake is not just a matter of name and substance, but the very economic viability of these SEZ's.

In the last year debate on whether Shenzhen should be deemed as a model of success or as an example of discrepancy between policy goal and performance, it has become an obvious fact to both the central authorities of China and outside observers that the "economic miracle" of Shenzhen was nothing more than the result of misuse of its policy prerogatives.

Shenzhen built up its physical achievement (in the form of blocks of multi-story skyscrapers that Mr Deng Xiaoping admired) and economic boom (as expressed in terms of rapidly rising living standard and prosperity of the firms there) primarily on its gains from entrepot trade.

Its special policy status and the laxity of customs controls at the border that separates the SEZ from the rest of China has allowed it to trade much sought after imported consumer goods on the local and mainland markets.

In return, huge wealth from the considerable difference between the import price and selling price of these goods has been accrued to those involved in the trade, which practically includes almost everyone and every organisation in Shenzhen, and the SEZ itself.

The prosperity of Shenzhen, and hence its apparent "economic miracle" and of the SEZ policy as a whole between 1983 and early last year are primarily a result of this illegal but tolerated (even at times encouraged) entrepot trade.

However, this phenomenon is contrary to the expectations of the central authorities. More significantly, such illegal entrepot trade has caused serious disruptions and dislocations to China's foreign trade system, and especially to the domestic foreign exchange control and monetary system.

Although it is unfair to say that the entrepot trade of Shenzhen, and of Zhuhai to a lesser extent, which is predominantly import trade, should be held responsible for the huge foreign trade deficit and draining of foreign exchange resource out of China, the negative effect of Shenzhen's entrepot trade is so obvious that no sensible central leader would come to its defence.

Last year, when the central authorities were forced to clamp down on the illegal trade in foreign currency by Shenzhen's firms (even the SEZ government was alleged to be involved), which was the means by which the SEZ balanced its payments in foreign currency, Shenzhen turned to parallel trade for compensation.

The result was an upsurge of general hostility towards Shenzhen by xians (countries) in the Pearl River Delta (which inevitably involved the Guangdong provincial authorities), neighbouring provinces and finally the powerful MOFERT (Ministry of Foreign Economic Relations and Trade) because of the damage to their usual exports by Shenzhen's "lower-than-production-cost" offers in parallel trade.

The rigid imposition of a foreign trade quota and permit system on Shenzhen this year was a logical outcome of such hostility.

Despite the efforts of Mr Deng and Mr Gu Mu to save Shenzhen (which is in fact more for the saving of their "face" and credibility in the central leadership), the generalised hostility towards the SEZ by central ministries and local authorities is so strong that Shenzhen and other SEZ's as well have, since the second half of last year, been gradually stripped of their special policy prerogatives.

Without special policy prerogatives, SEZ's are left with no short-cut road to economic development through illegal trade. Now they have not only to face the formidable task of local accumulation out of a small regional economy, as the central authorities remain firm on their original stand of no financial assistance to SEZ's, but also to feel the crushing burden of immediate foreign currency and RMB debt servicing.

The scale of such problems for Shenzhen and Zhuhai, the fastest growing SEZ's in the past few years, will be much greater and more unbearable. With a dwindling local market and stagnant tourism, Zhuhai might find it hard to service its debt from current foreign currency incomes.

As for Shenzhen, the city government alone is required in this year to repay the first installment of a RMB 700 million infrastructural loan, which amounts to RMB 200 million and is equivalent to one-fourth of the total financial income of the city last year. (Another source says the sum to be repaid this year is only RMB 150 million. Nevertheless, Shenzhen is required to repay the entire amount of RMB 700 million within three years, beginning from this year.) This will undoubtedly cause a serious strain on the city's tight budget; and the city has little accumulated financial surplus to rely on.

As for the central leaders like Mr Deng, their minds have turned to another, at least potentially, miracle-creating project -- Ningbo. This time, probably because of the lesson from the SEZ's, the central government has promised to invest RMB 520 million in Ningbo in the next five years, beginning from this year, a sum that is more than half the amount committed to the municipality of Shanghai.

With such a huge investment, and with about U.S. \$300 million that Hong Kong's Sir Yue-kong Pao has promised raise [as published], Ningbo could soon become the national model of "instant" economic success.

Meanwhile, the no longer special Shenzhen SEZ will be left to struggle on its meagre resources, perhaps as an example of self-reliance.

PRC SCIENTIST REASSURES HONG KONG ON DAYA BAY SAFETY

HK260134 Hong Kong TA KUNG PAO in English 26 Jun-2 Jul 86 p 1

[By staff writer]

[Text] Although the equipment and technology for the Daya Bay nuclear power plant are to be imported from France, this does not mean that China was blank in nuclear technology, a Chinese expert said on 24 June.

Jiang Shengjie, director of China's Nuclear safety Bureau, made the remark when meeting in Beijing with scientists from Hong Kong and Macao who are attending the third national congress of the Chinese Association for Science and Technology.

Noting that many Hong Kong residents are worried about the competence of the Daya Bay plant staff, Jiang pointed out that China has 30 years' successful experience in making nuclear weapons and carrying out nuclear tests. China has full confidence in its sizable contingent of nuclear specialists trained in the course of developing the country's nuclear industry during the past 30 years, he added.

Jiang, a graduate of Columbia University who pioneered China's nuclear industry, assured the Hong Kong and Macao scientists attending the congress that the high safety standards adopted for the Daya Bay plant are up to international level. He said that a computerized simulator is to be used to train the plant staff on ways to detect and tackle possible accidents. There is no such simulating device in Chernobyl, he noted.

Unlike in the Soviet Union, he went on, decisionmakers on nuclear development and people responsible for safety inspection and issuing licences belong to two different organizations, thus ensuring the reliability of supervision.

Acknowledging that negotiations had been held on lowering the cost of the Daya Bay project, the nuclear specialist said the plant's safety standard would not be affected.

He said that nuclear power has been playing an important role in developed countries. In France 68 percent of the electricity is generated by nuclear plants.

China cannot afford to ignore nuclear power although priorities have been given to developing thermal and hydraulic power plants. China is rich in coal and water resources, but 70 percent of the hydropower resources are concentrated in the southwest, while 60 percent of the country's coal deposits are in the north and northwest. This leaves the economically developed east and southeast short of energy supply.

Two nuclear power plants are under construction in China at present, one at Qinshan in east China's Zhejiang Province, the other in Guangdong Province's Daya Bay, close to Hong Kong. The 300-megawatt Qinshan plant is scheduled to go into operation in 1989. The Daya Bay plant, with two 900-megawatt pressurized water reactors, will be commissioned in 1992 or 1993.

COMMENTARY ON PROSPECTS FOR SINO-PORTUGUESE TALKS ON MACAO

HK260643 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1031 GMT 25 Jun 86

[Short commentary by Zhao Qi: "Sino-Portuguese Talks in Prospect" -- ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 25 Jun (ZHONGGUO TONGXUN SHE) -- The Sino-Portuguese talks on the issue of Macao's future will soon be held in Beijing, on 30 June. This is another important affair that attracts attention from everyone at home and abroad after the smooth settlement of the issue of Hong Kong's future.

People in all circles in Macao have long been preparing mentally for the holding of the talks on Macao's future. At present, public feeling in Macao is rather stable, and the atmosphere in society is calm. Most people are optimistic about the Sino-Portuguese talks which will soon begin. Of course, some people may also have various worries. This is not at all surprising.

The Chinese side has disclosed that after China resumes the exercise of sovereignty over Macao, China will handle the problems in Macao left over by history in light of the formula of "one country, two systems." The social and economic systems in Macao will remain unchanged; the existing laws and life style will basically remain unchanged; and a series of special policies will be adopted in accordance to Macao's special conditions.

At present, relations between China and Portugal are good. Both sides are sincere regarding maintaining Macao's stability and prosperity. When the two countries established diplomatic relations in 1979, they reached understanding and agreement on Macao's sovereignty, and there is no dispute over the issue of sovereignty. In addition, the successful settlement of the Hong Kong issue has set a precedent for the Sino-Portuguese talks, which are expected to encounter no major obstacles. A few days ago, Zhou Nan, head of the Chinese delegation to the Sino-Portuguese talks, optimistically predicted that the talks on Macao's future will make progress more smoothly than the Sino-British talks on the Hong Kong issue, and will be completed more quickly. At the same time, he also pointed out that Macao has its own special problems that Hong Kong does not have, so China and Portugal must seek a set of solutions through their talks.

People generally hold that the time for China to recover sovereignty over Macao and the issue concerning Macao residents of Portuguese origin and their nationality will be the major subjects to be dealt with in the Sino-Portuguese talks. In addition, the two sides will also discuss such issues as maintaining social stability, promoting economic development, localizing Macao's public servants popularizing both the Chinese and Portuguese languages, and making Chinese an official language.

People are glad to see that China and Portugal share the same objectives and are sincere in entering into their talks. It is believed that through frank and in-depth talks, they will conclude an agreement which is in the interests of both sides and which is generally accepted by people in all circles in Macao.

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